

2011
SESSION LAWS
OF THE
STATE OF WASHINGTON

REGULAR SESSION
SIXTY-SECOND LEGISLATURE
Convened January 10, 2011. Adjourned April 22, 2011.

SPECIAL SESSION
SIXTY-SECOND LEGISLATURE
Convened April 26, 2011. Adjourned May 25, 2011.



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Code Reviser

<http://www.leg.wa.gov/codereviser>

**WASHINGTON SESSION LAWS
GENERAL INFORMATION**

1. EDITIONS AVAILABLE.

- (a) *General Information.* The session laws are printed in a permanent softbound edition containing the accumulation of all laws adopted in the legislative session. The edition contains a subject index and tables indicating Revised Code of Washington sections affected.
- (b) *Where and how obtained - price.* The permanent session laws may be ordered from the Statute Law Committee, Pritchard Building, P.O. Box 40552, Olympia, Washington 98504-0552. The edition costs \$25.00 per set plus applicable state and local sales taxes and \$7.00 shipping and handling. All orders must be accompanied by payment.

2. PRINTING STYLE - INDICATION OF NEW OR DELETED MATTER.

The session laws are presented in the form in which they were enacted by the legislature. This style quickly and graphically portrays the current changes to existing law as follows:

- (a) In amendatory sections
 - (i) underlined matter is new matter.
 - (ii) deleted matter is (~~lined out and bracketed between double parentheses~~).
- (b) Complete new sections are prefaced by the words NEW SECTION.

3. PARTIAL VETOES.

- (a) Vetoed matter is *printed in bold italics*.
- (b) Pertinent excerpts of the governor's explanation of partial vetoes are printed at the end of the chapter concerned.

4. EDITORIAL CORRECTIONS. Words and clauses inserted in the session laws under the authority of RCW 44.20.060 are enclosed in [brackets].

5. EFFECTIVE DATE OF LAWS.

- (a) The state Constitution provides that unless otherwise qualified, the laws of any session take effect ninety days after adjournment sine die. The Secretary of State has determined the pertinent date for the Laws of the 2011 regular session to be the first moment of July 22, 2011. The pertinent date for the Laws of the 2011 special session is August 24, 2011.
- (b) Laws that carry an emergency clause take effect immediately upon approval by the Governor.
- (c) Laws that prescribe an effective date take effect upon that date.

6. INDEX AND TABLES.

A cumulative index and tables of all 2011 laws may be found at the back of the final volume.

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CHAPTER 336

[Senate Bill 5045]

REVISED CODE OF WASHINGTON—TECHNICAL CORRECTIONS

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Be it enacted by the Legislature of the State of Washington:

Sec. 1. RCW 1.08.007 and 2005 c 409 s 3 are each amended to read as follows:

The committee shall from time to time elect a (~~(chairman)~~) chair from among its members and adopt rules to govern its procedures. Four members of the committee shall constitute a quorum for the transaction of any business but no proceeding of the committee shall be valid unless carried by the vote of a majority of the members present. The code reviser or a member of his or her staff shall act as secretary of the committee.

Sec. 2. RCW 1.08.016 and 1953 c 257 s 5 are each amended to read as follows:

The committee may at any time by order correct any section or portion of the code in any of the respects enumerated in RCW 1.08.015. Orders shall be numbered consecutively and signed by the committee (~~(chairman)~~) chair and each order shall be followed by an explanatory note reciting the reason therefor.

Unless otherwise prescribed in the orders, each shall become effective ninety days after:

- (1) Signing of the order; and

(2) Filing a summary thereof with the board of governors of the state bar association; and

(3) The filing thereof with the secretary of state.

Sec. 3. RCW 1.08.026 and 1959 c 95 s 4 are each amended to read as follows:

The committee also shall examine the revised code and from time to time submit to the legislature proposals for enactment of the several titles, chapters and sections thereof, to the end that, as expeditiously as possible, the revised code, and each part thereof, shall constitute conclusive, rather than prima facie evidence of the law. Each such proposal shall be accompanied by explanatory matter. The committee may hold hearings concerning any such proposal or concerning recommendations formulated or to be formulated in accordance with RCW 1.08.025. Proposals or recommendations approved by the committee shall be submitted to the ~~((chairman))~~ chair of the house or senate judiciary committee at the commencement of the next succeeding session of the legislature.

Sec. 4. RCW 1.08.028 and 1955 c 235 s 4 are each amended to read as follows:

Neither the reviser nor any member of his or her staff shall be required to furnish any written opinion as to the validity or constitutionality of any proposed legislation, which he or she may be requested to draft or prepare, nor shall any member of the committee be required to pass upon the constitutionality of any matter submitted to it for consideration.

Sec. 5. RCW 1.08.033 and 1955 c 235 s 5 are each amended to read as follows:

The department of public institutions shall provide suitable office and storage space and facilities for the reviser and his or her staff at Olympia, at a location convenient to the legislature and to the state law library.

Sec. 6. RCW 1.08.037 and 1955 c 235 s 6 are each amended to read as follows:

The committee shall from time to time formulate specifications relative to the format, size and style of type, paper stock, number of volumes, method and quality of binding, contents, indexing, and general scope and character of footnotes, and annotations, if any, for any publication for general use of the revised code and supplements thereto. No such publication or the contents thereof, other than such temporary edition as may expressly be authorized by the legislature, shall be received as evidence of the laws of this state unless it complies with such specifications of the committee as are current at the time of publication, including compliance with the section numbering adopted by the reviser under supervision of the statute law committee. If a publication complies with such specifications, the committee shall furnish a certificate of such compliance, executed on behalf of the committee by its ~~((chairman))~~ chair, to the publisher, and the certificate shall be reproduced at the beginning of each such volume or supplement.

Upon request of any publisher in good faith interested in publishing said code, the committee shall furnish a copy of its current specifications and shall not during the process of any bona fide publication of said code or supplements modify any such specifications, if such modification would result in added

expense or material inconvenience to the publisher, without written concurrence therein by such publisher.

Sec. 7. RCW 1.20.010 and 1967 ex.s. c 65 s 2 are each amended to read as follows:

The official flag of the state of Washington shall be of dark green silk or bunting and shall bear in its center a reproduction of the seal of the state of Washington embroidered, printed, painted or stamped thereon. The edges of the flag may, or may not, be fringed. If a fringe is used the same shall be of gold or yellow color of the same shade as the seal. The dimensions of the flag may vary.

The secretary of state is authorized to provide the state flag to units of the armed forces, without charge therefor, as in his or her discretion he or she deems entitled thereto. The secretary of state is further authorized to sell the state flag to any citizen at a price to be determined by the secretary of state.

Sec. 8. RCW 2.04.010 and 1890 p 322 s 6 are each amended to read as follows:

The supreme court shall have original jurisdiction in habeas corpus and quo warranto and mandamus as to all state officers, and appellate jurisdiction in all actions and proceedings excepting that its appellate jurisdiction shall not extend to civil actions at law for the recovery of money or personal property when the original amount in controversy or the value of the property does not exceed the sum of two hundred dollars, unless the action involves the legality of a tax, impost, assessment, toll, municipal fine, or the validity of a statute. The supreme court shall also have power to issue writs of mandamus, review, prohibition, habeas corpus, certiorari, and all other writs necessary and proper to the complete exercise of its appellate and revisory jurisdiction. Each of the judges shall have power to issue writs of habeas corpus to any part of the state, upon petition by or on behalf of any person held in actual custody, and may make such writs returnable before himself or herself, or before the supreme court, or before any superior court of the state, or any judge thereof.

Sec. 9. RCW 2.04.031 and 1973 c 106 s 1 are each amended to read as follows:

If proper rooms in which to hold the court, and for the accommodation of the officers thereof, are not provided by the state, together with attendants, furniture, fuel, lights, record books and stationery, suitable and sufficient for the transaction of business, the court, or any three justices thereof, may direct the clerk of the supreme court to provide the same; and the expense thereof, certified by any three justices to be correct, shall be paid out of the state treasury out of any funds therein not otherwise appropriated. Such moneys shall be subject to the order of the clerk of the supreme court, and be by him or her disbursed on proper vouchers, and accounted for by him or her in annual settlements with the governor.

Sec. 10. RCW 2.04.150 and 1909 c 24 s 4 are each amended to read as follows:

The chief justice shall from time to time apportion the business to the departments, and may, in his or her discretion, before a decision is pronounced, order any cause pending before the court to be heard and determined by the court en banc. When a cause has been allotted to one of the departments and a decision pronounced therein, the chief justice, together with any two associate

judges, may order such cause to be heard and decided by the court en banc. Any four judges may, either before or after decision by a department, order a cause to be heard en banc.

Sec. 11. RCW 2.06.050 and 1969 ex.s. c 221 s 5 are each amended to read as follows:

A judge of the court shall be:

(1) Admitted to the practice of law in the courts of this state not less than five years prior to taking office.

(2) A resident for not less than one year at the time of appointment or initial election in the district for which his or her position was created.

Sec. 12. RCW 2.06.090 and 1969 ex.s. c 221 s 9 are each amended to read as follows:

No judge, while in office, shall engage in the practice of law. No judge shall run for elective office other than a judicial office during the term for which he or she was elected.

Sec. 13. RCW 2.08.080 and 1971 c 81 s 5 are each amended to read as follows:

Every judge of a superior court shall, before entering upon the duties of his or her office, take and subscribe an oath that he or she will support the Constitution of the United States and the Constitution of the state of Washington, and will faithfully and impartially discharge the duties of judge to the best of his or her ability, which oath shall be filed in the office of the secretary of state. Such oath or affirmation to be in form substantially the same as prescribed for justices of the supreme court.

Sec. 14. RCW 2.08.115 and 1975-'76 2nd ex.s. c 34 s 1 are each amended to read as follows:

Whenever a judge of the superior court shall serve a district comprising more than one county, such judge shall be reimbursed for travel expenses in connection with business of the court in accordance with RCW 43.03.050 and 43.03.060 as now existing or hereafter amended for travel from his or her residence to the other county or counties in his or her district and return.

Sec. 15. RCW 2.08.140 and 1893 c 43 s 1 are each amended to read as follows:

Whenever a judge of the superior court of any county in this state, or a majority of such judges in any county in which there is more than one judge of said court, shall request the governor of the state to direct a judge of the superior court of any other county to hold a session of the superior court of any such county as is first herein above mentioned, the governor shall thereupon request and direct a judge of the superior court of some other county, making such selection as the governor shall deem to be most consistent with the state of judicial business in other counties, to hold a session of the superior court in the county the judge shall have requested the governor as aforesaid. Such request and direction by the governor shall be made in writing, and shall specify the county in which he or she directs the superior judge to whom the same is addressed to hold such session of the superior court, and the period during which he or she is to hold such session. Thereupon it shall be the duty of the superior judge so requested, and he or she is hereby empowered to hold a session of the superior court of the county specified by the governor, at the seat of judicial

business thereof, during the period specified by the governor, and in such quarters as the county commissioners of said county may provide for the holding of such session.

Sec. 16. RCW 2.08.150 and 1893 c 43 s 2 are each amended to read as follows:

Whenever a like request shall be addressed by the judge, or by a majority of the judges (if there be more than one) of the superior court of any county to the superior judge of any other county, he or she is hereby empowered, if he or she deem it consistent with the state of judicial business in the county or counties whereof he or she is a superior judge (and in such case it shall be his or her duty to comply with such request), to hold a session of the superior court of the county the judge or judges whereof shall have made such request, at the seat of judicial business of such county, in such quarters as shall be provided for such session by the board of county commissioners, and during such period as shall have been specified in the request, or such shorter period as he or she may deem necessary by the state of judicial business in the county or counties whereof he or she is a superior judge.

Sec. 17. RCW 2.08.170 and 1981 c 186 s 3 are each amended to read as follows:

Any judge of the superior court of any county in this state who shall hold a session of the superior court of any other county, in pursuance of the provisions of RCW 2.08.140 through 2.08.170 shall be entitled to receive from the county in which he or she shall hold such sessions reimbursement for subsistence, lodging, and travel expenses in accordance with the rates applicable to state officers under RCW 43.03.050 and 43.03.060 as now or hereafter amended. The county clerk of such county shall, upon the presentation to him or her by such judge of a statement of such expenses, verified by his or her affidavit, issue to such judge a certificate that he or she is entitled to the amount thereof; and upon presentation of such certificate to the auditor of such county he or she shall draw a warrant on the current expense fund of such county for the amount in favor of such judge.

Sec. 18. RCW 2.08.190 and 1901 c 57 s 1 are each amended to read as follows:

Any judge of the superior court of the state of Washington shall have power, in any county within his or her district: (1) To sign all necessary orders and papers in probate matters pending in any other county in his or her district; (2) to issue restraining orders, and to sign the necessary orders of continuance in actions or proceedings pending in any other county in his or her district; (3) to decide and rule upon all motions, demurrers, issues of fact, or other matters that may have been submitted to him or her in any other county. All such rulings and decisions shall be in writing and shall be filed immediately with the clerk of the proper county: PROVIDED, That nothing herein contained shall authorize the judge to hear any matter outside of the county wherein the cause or proceeding is pending, except by consent of the parties.

Sec. 19. RCW 2.08.200 and 1901 c 57 s 2 are each amended to read as follows:

Any judge of the superior court of the state of Washington who shall have heard any cause, either upon motion, demurrer, issue of fact, or other matter in

any county out of his or her district, may decide, rule upon, and determine the same in any county in this state, which decision, ruling, and determination shall be in writing and shall be filed immediately with the clerk of the county where such cause is pending.

Sec. 20. RCW 2.08.220 and 1891 c 45 s 5 are each amended to read as follows:

Unless otherwise provided by statute, all process issuing out of the court shall be directed to the sheriff of the county in which it is to be served, and be by him or her executed according to law.

Sec. 21. RCW 2.08.240 and 1890 p 344 s 12 are each amended to read as follows:

Every case submitted to a judge of a superior court for his or her decision shall be decided by him or her within ninety days from the submission thereof: PROVIDED, That if within said period of ninety days a rehearing shall have been ordered, then the period within which he or she is to decide shall commence at the time the cause is submitted upon such rehearing, and upon (~~willful~~) willful failure of any such judge so to do, he or she shall be deemed to have forfeited his or her office.

Sec. 22. RCW 2.10.070 and 1971 ex.s. c 267 s 7 are each amended to read as follows:

The retirement board shall perform the following duties:

(1) Keep in convenient form such data as shall be deemed necessary for actuarial evaluation purposes;

(2) As of July 1st of every even-numbered year have an actuarial evaluation made as to the mortality and service experience of the beneficiaries under this chapter and the various accounts created for the purpose of showing the financial status of the retirement fund;

(3) Adopt for the retirement system the mortality tables and such other tables as shall be deemed necessary;

(4) Keep a record of its proceedings, which shall be open to inspection by the public;

(5) Serve without compensation but shall be reimbursed for expense incident to service as individual members thereof;

(6) From time to time adopt such rules and regulations not inconsistent with this chapter for the administration of this chapter and for the transaction of the business of the board.

No member of the board shall be liable for the negligence, default, or failure of any employee or of any member of the board to perform the duties of his or her office and no member of the board shall be considered or held to be an insurer of the funds or assets of the retirement system, but shall be liable only for his or her own personal default or individual failure to perform his or her duties as such member and to exercise reasonable diligence in providing for safeguarding of the funds and assets of the system.

Sec. 23. RCW 2.10.090 and 1971 ex.s. c 267 s 9 are each amended to read as follows:

The total liability, as determined by the actuary, of this system shall be funded as follows:

(1) Every judge shall have deducted from his or her monthly salary an amount equal to seven and one-half percent of said salary.

(2) The state as employer shall contribute an equal amount on a quarterly basis.

(3) The state shall in addition guarantee the solvency of said fund and the legislature shall make biennial appropriations from the general fund of amounts sufficient to guarantee the making of retirement payments as herein provided for if the money in the judicial retirement fund shall become insufficient for that purpose, but such biennial appropriation may be conditioned that sums appropriated may not be expended unless the money in the judicial retirement fund shall become insufficient to meet the retirement payments.

Sec. 24. RCW 2.10.110 and 1971 ex.s. c 267 s 11 are each amended to read as follows:

A member upon retirement for service shall receive a monthly retirement allowance computed according to his or her completed years of service, as follows: Ten years, but less than fifteen years, three percent of his or her final average salary for each year of service; fifteen years and over, three and one-half percent of his or her final average salary for each year of service: PROVIDED, That in no case shall any retired member receive more than seventy-five percent of his or her final salary except as increased as a result of the cost of living increases as provided by this chapter.

Sec. 25. RCW 2.10.120 and 1982 c 18 s 1 are each amended to read as follows:

(1) Any judge who has served as a judge for a period of ten or more years, and who shall believe he or she has become physically or otherwise permanently incapacitated for the full and efficient performance of the duties of his or her office, may file with the retirement board an application in writing, asking for retirement. Upon receipt of such application the retirement board shall appoint one or more physicians of skill and repute, duly licensed to practice their professions in the state of Washington, who shall, within fifteen days thereafter, for such compensation as may be fixed by the board, to be paid out of the fund herein created, examine said judge and report in writing to the board their findings in the matter. If the physicians appointed by the board find the judge to be so disabled and the retirement board concurs in this finding the judge shall be retired.

(2) The retirement for disability of a judge, who has served as a judge for a period of ten or more years, by the supreme court under Article IV, section 31 of the Constitution of the state of Washington (House Joint Resolution No. 37, approved by the voters November 4, 1980), with the concurrence of the retirement board, shall be considered a retirement under subsection (1) of this section.

Sec. 26. RCW 2.10.130 and 1971 ex.s. c 267 s 13 are each amended to read as follows:

Upon a judge being retired for disability as provided in RCW 2.10.120, he or she shall receive from the fund an amount equal to one-half of his or her final average salary.

Sec. 27. RCW 2.10.140 and 1988 c 109 s 7 are each amended to read as follows:

(1) A surviving spouse of any judge holding such office, or if he or she dies after having retired and who, at the time of his or her death, has served ten or more years in the aggregate, shall receive a monthly allowance equal to fifty percent of the retirement allowance the retired judge was receiving, or fifty percent of the retirement allowance the active judge would have received had he or she been retired on the date of his or her death, but in no event less than twenty-five percent of the final average salary that the deceased judge was receiving: PROVIDED, That said surviving spouse had been married to the judge for a minimum of two years at time of death.

(2) A judge holding office on July 1, 1988, may make an irrevocable choice to relinquish the survivor benefits provided by this section in exchange for the survivor benefits provided by RCW 2.10.144 and 2.10.146 by indicating the choice in a written declaration submitted to the department of retirement systems by December 31, 1988.

(3) The surviving spouse of any judge who died in office after January 1, 1986, but before July 1, 1988, may elect to receive the survivor benefit provided in RCW 2.10.144(1).

Sec. 28. RCW 2.10.220 and 1980 c 7 s 1 are each amended to read as follows:

(1) Any member of the Washington public employees' retirement system who is eligible to participate in the judicial retirement system may, by written request filed with the retirement boards of the two systems respectively, transfer such membership to the judicial retirement system. Upon the receipt of such request, the board of the Washington public employees' retirement system shall transfer to the board of the Washington judicial retirement system (a) all employee's contributions and interest thereon belonging to such member in the employees' savings fund and all employer's contributions credited or attributed to such member in the benefit account fund and (b) a record of service credited to such member. One-half of such service shall be computed and not more than nine years shall be credited to such member as though such service was performed as a member of the judicial retirement system. Upon such transfer being made the state treasurer shall deposit such moneys in the judicial retirement fund. In the event that any such member should terminate judicial service prior to his or her entitlement to retirement benefits under any of the provisions of this chapter, he or she shall upon request therefor be repaid from the judicial retirement fund an amount equal to the amount of his or her employee's contributions to the Washington public employees' retirement system and interest plus interest thereon from the date of the transfer of such moneys.

(2) Any member of the judicial retirement system who was formerly a member of the Washington public employees' retirement system with membership service credit of not less than six years but who has terminated his or her membership therein under the provisions of chapter 41.40 RCW, may reinstate his or her membership in the Washington public employees' retirement system, for the sole purpose of qualifying for a transfer of membership in the judicial retirement system in accordance with subsection (1) (~~above~~) of this section by making full restoration of all withdrawn funds to the employees' savings fund prior to July 1, 1980. Upon reinstatement in accordance with this subsection, the provisions of subsection (1) of this section and the provisions of RCW 41.40.023(3) shall then be applicable to the reinstated member in the same

manner and to the same extent as they are to the present members of the Washington public employees' retirement system who are eligible to participate in the judicial retirement system.

(3) Any member of the judicial retirement system who has served as a judge for one or more years and who has rendered service for the state of Washington, or any political subdivision thereof, prior to October 1, 1947, or the time of the admission of the employer into the Washington public employees' retirement system, may—upon his or her payment into the judicial retirement fund of a sum equal to five percent of his or her compensation earned for such prior public service—request and shall be entitled to have one-half of such service computed and not more than six years immediately credited to such member as though such service had been performed as a member of the judicial retirement system, provided that any such prior service so credited shall not be claimed for any pension system other than a judicial retirement system.

Sec. 29. RCW 2.12.010 and 1982 1st ex.s. c 52 s 2 are each amended to read as follows:

Any judge of the supreme court, court of appeals, or superior court of the state of Washington who heretofore and/or hereafter shall have served as a judge of any such courts for eighteen years in the aggregate or who shall have served ten years in the aggregate and shall have attained the age of seventy years or more may, during or at the expiration of his or her term of office, in accordance with the provisions of this chapter, be retired and receive the retirement pay herein provided for. In computing such term of service, there shall be counted the time spent by such judge in active service in the armed forces of the United States of America, under leave of absence from his or her judicial duties as provided for under chapter 201, Laws of 1941: PROVIDED, HOWEVER, That in computing such credit for such service in the armed forces of the United States of America no allowance shall be made for service beyond the date of the expiration of the term for which such judge was elected. Any judge desiring to retire under the provisions of this section shall file with the director of retirement systems, a notice in duplicate in writing, verified by his or her affidavit, fixing a date when he or she desires his or her retirement to commence, one copy of which the director shall forthwith file with the administrator for the courts. The notice shall state his or her name, the court or courts of which he or she has served as judge, the period of service thereon and the dates of such service.

Sec. 30. RCW 2.12.012 and 1971 c 30 s 2 are each amended to read as follows:

Any judge of the supreme court, court of appeals, or superior court of this state who shall leave judicial service at any time after having served as a judge of any of such courts for an aggregate of twelve years shall be eligible to a partial retirement pension in a percentage of the pension provided in this chapter as determined by the proportion his or her years of judicial service bears to eighteen and shall receive the same upon attainment of age seventy, or eighteen years after the commencement of such judicial service, whichever shall occur first.

Sec. 31. RCW 2.12.015 and 1971 c 30 s 3 are each amended to read as follows:

In the event any judge of the supreme court, court of appeals, or superior court of the state serves more than eighteen years in the aggregate as computed under RCW 2.12.010, he or she shall receive in addition to any other pension benefits to which he or she may be entitled under this chapter, an additional pension benefit based upon one-eighteenth of his or her salary for each year of full service after eighteen years, provided his or her total pension shall not exceed seventy-five percent of the monthly salary he or she was receiving as a judge at the time of his or her retirement.

Sec. 32. RCW 2.12.020 and 1982 1st ex.s. c 52 s 3 are each amended to read as follows:

(1) Any judge of the supreme court, court of appeals, or superior court of the state of Washington, who heretofore and/or hereafter shall have served as a judge of any such courts for a period of ten years in the aggregate, and who shall believe he or she has become physically or otherwise permanently incapacitated for the full and efficient performance of the duties of his or her office, may file with the director of retirement systems an application in duplicate in writing, asking for retirement, which application shall be signed and verified by the affidavit of the applicant or by someone in his or her behalf and which shall set forth his or her name, the office then held, the court or courts of which he or she has served as judge, the period of service thereon, the dates of such service and the reasons why he or she believes himself or herself to be, or why they believe him or her to be incapacitated. Upon filing of such application the director shall forthwith transmit a copy thereof to the governor who shall appoint three physicians of skill and repute, duly licensed to practice their professions in the state of Washington, who shall, within fifteen days thereafter, for such compensation as may be fixed by the governor, to be paid out of the fund hereinafter created, examine said judge and report, in writing, to the governor their findings in the matter. If a majority of such physicians shall report that in their opinion said judge has become permanently incapacitated for the full and efficient performance of the duties of his or her office, and if the governor shall approve such report, he or she shall file the report, with his or her approval endorsed thereon, in the office of the director and a duplicate copy thereof with the administrator for the courts, and from the date of such filing the applicant shall be deemed to have retired from office and be entitled to the benefits of this chapter to the same extent as if he or she had retired under the provisions of RCW 2.12.010.

(2) The retirement for disability of a judge, who has served as a judge of the supreme court, court of appeals, or superior court of the state of Washington for a period of ten years in the aggregate, by the supreme court under Article IV, section 31 of the Constitution of the state of Washington (House Joint Resolution No. 37, approved by the voters November 4, 1980), with the concurrence of the retirement board, shall be considered a retirement under subsection (1) of this section.

Sec. 33. RCW 2.12.035 and 1971 c 81 s 7 are each amended to read as follows:

The retirement pay or pension of any justice of the supreme or judge of any superior court of the state who was in office on August 6, 1965, and who retired prior to December 1, 1968, or who would have been eligible to retire at the time

of death prior to December 1, 1968, shall be based, effective December 1, 1968, upon the annual salary which was being prescribed by the statute in effect for the office of justice of the supreme court or for the office of judge of the superior court, respectively, at the time of his or her retirement or at the end of the term immediately prior to his or her retirement if his or her retirement was made after expiration of his or her term or at the time of his or her death if he or she died prior to retirement. The widow's benefit for the widow of any such justice or judge as provided for in RCW 2.12.030 shall be based, effective December 1, 1968, upon such retirement pay.

**Sec. 34. RCW 2.12.037 and 1970 ex.s. c 96 s 1 are each amended to read as follows:*

(1) "Index" for the purposes of this section, shall mean, for any calendar year, that year's annual average consumer price index for urban wage earners and clerical workers, all items (1957-1959 equal one hundred) compiled by the bureau of labor statistics, United States department of labor;

(2) Effective July 1, 1970, every pension computed and payable under the provisions of RCW 2.12.030 to any retired judge or to his or her widow which does not exceed four hundred fifty dollars per month shall be adjusted to that dollar amount which bears the ratio of its original dollar amount which is found to exist between the index for 1969 and the index for the calendar year prior to the effective retirement date of the person to whom, or on behalf of whom, such retirement allowance is being paid.

**Sec. 34 was vetoed. See message at end of chapter.*

Sec. 35. RCW 2.12.040 and 1955 c 38 s 6 are each amended to read as follows:

If any retired judge shall accept an appointment or an election to a judicial office, he or she shall be entitled to receive the full salary pertaining thereto, and his or her retirement pay under this chapter shall be suspended during such term of office and his or her salary then received shall be subject to contribution to the judges' retirement fund as provided in this chapter.

Sec. 36. RCW 2.12.060 and 1973 c 106 s 6 are each amended to read as follows:

For the purpose of providing moneys in said judges' retirement fund, concurrent monthly deductions from judges' salaries and portions thereof payable from the state treasury and withdrawals from the general fund of the state treasury shall be made as follows: Six and one-half percent shall be deducted from the monthly salary of each justice of the supreme court, six and one-half percent shall be deducted from the monthly salary of each judge of the court of appeals, and six and one-half percent of the total salaries of each judge of the superior court shall be deducted from that portion of the salary of such justices or judges payable from the state treasury; and a sum equal to six and one-half percent of the combined salaries of the justices of the supreme court, the judges of the court of appeals, and the judges of the superior court shall be withdrawn from the general fund of the state treasury. In consideration of the contributions made by the judges and justices to the judges' retirement fund, the state hereby undertakes to guarantee the solvency of said fund and the legislature shall make biennial appropriations from the general fund of amounts sufficient to guarantee the making of retirement payments as herein provided for if the

money in the judges' retirement fund shall become insufficient for that purpose, but such biennial appropriation may be conditioned that sums appropriated may not be expended unless the money in the judges' retirement fund shall become insufficient to meet the retirement payments. The deductions and withdrawals herein directed shall be made on or before the tenth day of each month and shall be based on the salaries of the next preceding calendar month. The administrator for the courts shall issue warrants payable to the treasurer to accomplish the deductions and withdrawals herein directed, and shall issue the monthly salary warrants of the judges and justices for the amount of salary payable from the state treasury after such deductions have been made. The treasurer shall cash the warrants made payable to him or her hereunder and place the proceeds thereof in the judges' retirement fund for disbursement as authorized in this chapter.

Sec. 37. RCW 2.12.100 and 1970 ex.s. c 96 s 2 are each amended to read as follows:

Any member of the Washington public employees' retirement system who is eligible to participate in the judges' retirement system, may by written request filed with the director and custodian of the two systems respectively, transfer such membership to the judges' retirement system. Upon the receipt of such request, the director of the Washington public employees' retirement system shall transfer to the state treasurer (1) all employees' contributions and interest thereon belonging to such member in the employees' savings fund and all employers' contributions credited or attributed to such member in the benefit account fund and (2) a record of service credited to such member. One-half of such service but not in excess of twelve years shall be computed and credited to such member as though such service was performed as a member of the judges' retirement system. Upon such transfer being made the state treasurer shall deposit such moneys in the judges' retirement fund. In the event that any such member should terminate judicial service prior to his or her entitlement to retirement benefits under any of the provisions of chapter 2.12 RCW, he or she shall upon request therefor be repaid from the judges' retirement fund an amount equal to the amount of his or her employees' contributions to the Washington public employees' retirement system and interest plus interest thereon from the date of the transfer of such moneys: PROVIDED, HOWEVER, That this section shall not apply to any person who is retired as a judge as of February 20, 1970.

Sec. 38. RCW 2.24.020 and 1909 c 124 s 5 are each amended to read as follows:

Court commissioners appointed hereunder shall, before entering upon the duties of such office, take and subscribe an oath to support the Constitution of the United States, the Constitution of the state of Washington, and to perform the duties of such office fairly and impartially and to the best of his or her ability.

Sec. 39. RCW 2.28.030 and 1971 c 81 s 11 are each amended to read as follows:

A judicial officer is a person authorized to act as a judge in a court of justice. Such officer shall not act as such in a court of which he or she is a member in any of the following cases:

(1) In an action, suit, or proceeding to which he or she is a party, or in which he or she is directly interested.

(2) When he or she was not present and sitting as a member of the court at the hearing of a matter submitted for its decision.

(3) When he or she is related to either party by consanguinity or affinity within the third degree. The degree shall be ascertained and computed by ascending from the judge to the common ancestor and descending to the party, counting a degree for each person in both lines, including the judge and party and excluding the common ancestor.

(4) When he or she has been attorney in the action, suit, or proceeding in question for either party; but this section does not apply to an application to change the place of trial, or the regulation of the order of business in court.

In the cases specified in ~~((subdivisions))~~ subsections (3) and (4) of this section, the disqualification may be waived by the parties, and except in the supreme court and the court of appeals shall be deemed to be waived unless an application for a change of the place of trial be made as provided by law.

Sec. 40. RCW 2.28.060 and 1955 c 38 s 13 are each amended to read as follows:

Every judicial officer has power~~((—))~~:

(1) To preserve and enforce order in his or her immediate presence and in the proceedings before him or her, when he or she is engaged in the performance of a duty imposed upon him or her by law~~((—))~~;

(2) To compel obedience to his or her lawful orders as provided by law~~((—))~~;

(3) To compel the attendance of persons to testify in a proceeding pending before him or her, in the cases and manner provided by law~~((—))~~;

(4) To administer oaths to persons in a proceeding pending before him or her, and in all other cases where it may be necessary in the exercise of his or her powers and the performance of his or her duties.

Sec. 41. RCW 2.28.090 and 1891 c 54 s 9 are each amended to read as follows:

Every other judicial officer may, within the county, city, district, or precinct in which he or she is chosen~~((—))~~:

(1) Exercise the powers mentioned in RCW 2.28.080 (1)~~((—(2)—and))~~ through (3)~~((—))~~;

(2) Exercise any other power and perform any other duty conferred or imposed upon him or her by other statute.

Sec. 42. RCW 2.28.100 and 1986 c 219 s 1 are each amended to read as follows:

No court shall be open, nor shall any judicial business be transacted, on a legal holiday, except:

(1) To give, upon their request, instructions to a jury when deliberating on their verdict;

(2) To receive the verdict of a jury;

(3) For the exercise of the powers of a magistrate in a criminal action, or in a proceeding of a criminal nature;

(4) For hearing applications for and issuing writs of habeas corpus, injunction, prohibition, and attachment;

(5) For the issuance of any process or subpoena not requiring immediate judicial or court action, and the service thereof.

The governor, in declaring any legal holiday, in his or her discretion, may provide in his or her proclamation that such holiday shall not be applicable to the courts of or within the state.

Sec. 43. RCW 2.28.120 and 1891 c 54 s 10 are each amended to read as follows:

A court or judicial officer has power to adjourn any proceeding before it or him or her from time to time, as may be necessary, unless otherwise expressly provided by law.

Sec. 44. RCW 2.28.160 and 1975-'76 2nd ex.s. c 34 s 2 are each amended to read as follows:

Whenever a judge serves as a judge pro tempore the payments for subsistence, lodging, and compensation pursuant to RCW 2.04.250 and 2.06.160 as now or hereafter amended shall be paid only for time actually spent away from the usual residence and abode of such pro tempore judge and only for time actually devoted to sitting on cases heard by such pro tempore judge and for time actually spent in research and preparation of a written opinion prepared and delivered by such pro tempore judge; which time spent shall be evidenced by an affidavit of such judge to be submitted by him or her to the court from which he or she is entitled to receive subsistence, lodging, and compensation for his or her services pursuant to RCW 2.04.250 and 2.06.160 as now or hereafter amended.

Sec. 45. RCW 2.32.050 and 1981 c 277 s 1 are each amended to read as follows:

The clerk of the supreme court, each clerk of the court of appeals, and each clerk of a superior court, has power to take and certify the proof and acknowledgment of a conveyance of real property, or any other written instrument authorized or required to be proved or acknowledged, and to administer oaths in every case when authorized by law; and it is the duty of the clerk of the supreme court, each clerk of the court of appeals, and of each county clerk for each of the courts for which he or she is clerk((—)):

(1) To keep the seal of the court and affix it in all cases where he or she is required by law((:));

(2) To record the proceedings of the court((:));

(3) To keep the records, files, and other books and papers appertaining to the court((:));

(4) To file all papers delivered to him or her for that purpose in any action or proceeding in the court as directed by court rule or statute((:));

(5) To attend the court of which he or she is clerk, to administer oaths, and receive the verdict of a jury in any action or proceeding therein, in the presence and under the direction of the court((:));

(6) To keep the journal of the proceedings of the court, and, under the direction of the court, to enter its orders, judgments, and decrees((:));

(7) To authenticate by certificate or transcript, as may be required, the records, files, or proceedings of the court, or any other paper appertaining thereto and filed with him((:)) or her;

(8) To exercise the powers and perform the duties conferred and imposed upon him or her elsewhere by statute((:));

(9) In the performance of his or her duties to conform to the direction of the court((:));

(10) To publish notice of the procedures for inspection of the public records of the court.

Sec. 46. RCW 2.32.090 and 1891 c 57 s 5 are each amended to read as follows:

Each clerk of a court is prohibited during his or her continuance in office from acting, or having a partner who acts, as an attorney of the court of which he or she is clerk.

Sec. 47. RCW 2.32.110 and 1890 p 320 s 2 are each amended to read as follows:

He or she shall prepare such decisions for publication by giving the title of each case, a syllabus of the points decided, a brief statement of the facts bearing on the points decided, the names of the counsel, and a reference to such authorities as are cited from standard reports and textbooks that have a special bearing on the case, and he or she shall prepare a full and comprehensive index to each volume, and prefix a table of cases reported.

Sec. 48. RCW 2.32.130 and 1890 p 320 s 4 are each amended to read as follows:

Within thirty days after such proof sheets are furnished, the judges must return the same to the reporter, with corrections or alterations, and he or she must make the corrections or alterations accordingly.

Sec. 49. RCW 2.32.140 and 1890 p 320 s 5 are each amended to read as follows:

The reporter may take the original opinions and papers in each case from the clerk's office and retain them in his or her possession not exceeding sixty days.

Sec. 50. RCW 2.32.160 and 2005 c 190 s 1 are each amended to read as follows:

There is hereby created a commission advisory to the supreme court regarding the publication of the decisions of the supreme court and court of appeals of this state in both the form of advance sheets for temporary use and in permanent form, to be known as the Washington court reports commission, and to include the reporter of decisions, the state law librarian, and such other members, including a judge of the court of appeals and a member in good standing of the Washington state bar association, as determined by the chief justice of the supreme court, who shall be (~~chairman~~) chair of the commission. Members of the commission shall serve as such without additional or any compensation: PROVIDED, That members shall be compensated in accordance with RCW 43.03.240.

Sec. 51. RCW 2.32.200 and 1983 c 3 s 1 are each amended to read as follows:

It shall be the duty of each official reporter appointed under RCW 2.32.180 through 2.32.310 to attend every term of the superior court in the county or judicial district for which he or she is appointed, at such times as the judge presiding may direct; and upon the trial of any cause in any court, if either party to the suit or action, or his or her attorney, request the services of the official reporter, the presiding judge shall grant such request, or upon his or her own motion such presiding judge may order a full report of the testimony, exceptions taken, and all other oral proceedings; in which case the official reporter shall

cause accurate shorthand notes of the oral testimony, exceptions taken, and other oral proceedings had, to be taken, except when the judge and attorneys dispense with his or her services with respect to any portion of the proceedings therein, which notes shall be filed in the office of the clerk of the superior court where such trial is had.

Sec. 52. RCW 2.32.210 and 1975 1st ex.s. c 128 s 1 are each amended to read as follows:

Each official reporter shall be paid such compensation as shall be fixed, after recommendation by the judges of the judicial district involved, by the legislative authority of the county comprising said judicial district, or by the legislative authorities acting jointly where the judicial district is comprised of more than one county: PROVIDED, That in judicial districts having a total population of forty thousand or more, the salary of an official court reporter shall not be less than sixteen thousand five hundred dollars per annum: PROVIDED FURTHER, That in judicial districts having a total population of twenty-five thousand and under forty thousand, such salary shall not be less than eleven thousand one hundred dollars per annum.

Said compensation shall be paid out of the current expense fund of the county or counties where court is held.

In judicial districts comprising more than one county the council or commissioners thereof shall, on the first day of January of each year, or as soon thereafter as may be convenient, apportion the amount of the salary to be paid to the reporter by each county according and in proportion to the number of criminal and civil actions entered and commenced in superior court of the constituent counties in the preceding year. In addition to the salary above provided, in judicial districts comprising more than one county, the reporter shall receive his or her actual and necessary expenses of transportation and living expenses when he or she goes on official business to a county of his or her judicial district other than the county in which he or she resides, from the time he or she leaves his or her place of residence until he or she returns thereto, said expense to be paid by the county to which he or she travels. If one trip includes two or more counties, the expense may be apportioned between the counties visited in proportion to the amount of time spent in each county on the trip. If an official reporter uses his or her own automobile for the purpose of such transportation, he or she shall be paid therefor at the same rate per mile as county officials are paid for use of their private automobiles. The sworn statement of the official reporter, when certified to as correct by the judge presiding, shall be a sufficient voucher upon which the county auditor shall draw his or her warrant upon the treasurer of the county in favor of the official reporter.

The salaries of official court reporters shall be paid upon sworn statements, when certified as correct by the judge presiding, as state and county officers are paid.

Sec. 53. RCW 2.32.220 and 1957 c 244 s 3 are each amended to read as follows:

If the judge of the superior court in any judicial district having a total population of less than twenty-five thousand finds that the work in such district requires the services of an official court reporter he or she may appoint a person qualified under RCW 2.32.180.

Sec. 54. RCW 2.32.240 and 1983 c 3 s 2 are each amended to read as follows:

~~((4))~~ When a record has been taken in any cause as provided in RCW 2.32.180 through 2.32.310, if the court, or either party to the suit or action, or his or her attorney, request a transcript, the official reporter and clerk of the court shall make, or cause to be made, with reasonable diligence, full and accurate transcript of the testimony and other proceedings, which shall, when certified to as hereinafter provided, be filed with the clerk of the court where such trial is had for the use of the court or parties to the action. The fees of the reporter and clerk of the court for making such transcript shall be fixed in accordance with costs as allowed in cost bills in civil cases by the supreme court of the state of Washington, and when such transcript is ordered by any party to any suit or action, said fee shall be paid forthwith by the party ordering the same, and in all cases where a transcript is made as provided for under the provisions of RCW 2.32.180 through 2.32.310 the cost thereof shall be taxable as costs in the case, and shall be so taxed as other costs in the case are taxed: PROVIDED, That when, from and after December 20, 1973, a party has been judicially determined to have a constitutional right to a transcript and to be unable by reason of poverty to pay for such transcript, the court may order said transcript to be made by the official reporter, which transcript fee therefor shall be paid by the state upon submission of appropriate vouchers to the clerk of the supreme court.

Sec. 55. RCW 2.32.260 and 1913 c 126 s 7 are each amended to read as follows:

When the official reporter who has taken notes in any cause, shall thereafter cease to be such official reporter, any transcript thereafter made by him or her therefrom, or made by any competent person under the direction of the court, and duly certified to by the person making the same, under oath, as a full, true and correct transcript of said notes, the same shall have full force and effect the same as though certified by an official reporter of said court.

Sec. 56. RCW 2.40.030 and Code 1881 s 2109 are each amended to read as follows:

Whenever a juror, witness, or officer is required to attend a court, or travel on official business out of the limits of his or her own county, and entitled to mileage, in lieu thereof he or she may at his or her option receive his or her actual and necessary traveling expenses by the usually traveled route in going to and returning from the place where the court is held, or where the business is discharged. At the close of each term of the district court, the clerk shall ascertain the amount due each juror for his or her mileage and per diem; and he or she shall also certify the amount of fees that may be due to the sheriff of any other county than that in which the court is held, who may have attended the term, having a prisoner in custody charged with or convicted of a crime, or for the purpose of conveying such prisoner to or from the county, which, when approved by the court or judge, shall be a charge upon the county to which the prisoner belongs; and he or she shall also certify the amount which may be due witnesses attending from another county in a criminal case for their fees, which, when approved by the court or judge, shall be a charge upon the county to which the case belongs.

Sec. 57. RCW 2.44.010 and Code 1881 s 3280 are each amended to read as follows:

An attorney and counselor has authority:

(1) To bind his or her client in any of the proceedings in an action or special proceeding by his or her agreement duly made, or entered upon the minutes of the court; but the court shall disregard all agreements and stipulations in relation to the conduct of, or any of the proceedings in, an action or special proceeding unless such agreement or stipulation be made in open court, or in presence of the clerk, and entered in the minutes by him or her, or signed by the party against whom the same is alleged, or his or her attorney;

(2) To receive money claimed by his or her client in an action or special proceeding, during the pendency thereof, or after judgment upon the payment thereof, and not otherwise, to discharge the same or acknowledge satisfaction of the judgment;

(3) This section shall not prevent a party (~~(from)~~) from employing a new attorney or from issuing an execution upon a judgment, or from taking other proceedings prescribed by statute for its enforcement.

Sec. 58. RCW 2.44.020 and Code 1881 s 3281 are each amended to read as follows:

If it be alleged by a party for whom an attorney appears, that he or she does so without authority, the court may, at any stage of the proceedings, relieve the party for whom the attorney has assumed to appear from the consequences of his or her act; it may also summarily, upon motion, compel the attorney to repair the injury to either party consequent upon his or her assumption of authority.

Sec. 59. RCW 2.44.030 and Code 1881 s 3282 are each amended to read as follows:

The court, or a judge, may, on motion of either party, and on showing reasonable grounds therefor, require the attorney for the adverse party, or for any one of several adverse parties, to produce or prove the authority under which he or she appears, and until he or she does so, may stay all proceedings by him or her on behalf of the party for whom he or she assumes to appear.

Sec. 60. RCW 2.44.040 and Code 1881 s 3283 are each amended to read as follows:

The attorney in an action or special proceeding, may be changed at any time before judgment or final determination as follows:

(1) Upon his or her own consent, filed with the clerk or entered upon the minutes; or

(2) Upon the order of the court, or a judge thereof, on the application of the client, or for other sufficient cause; but no such change can be made until the charges of such attorney have been paid by the party asking such change to be made.

Sec. 61. RCW 2.44.050 and Code 1881 s 3284 are each amended to read as follows:

When an attorney is changed, as provided in RCW 2.44.040, written notice of the change, and of the substitution of a new attorney, or of the appearance of the party in person, must be given to the adverse party; until then, he or she shall be bound to recognize the former attorney.

Sec. 62. RCW 2.44.060 and Code 1881 s 3285 are each amended to read as follows:

When an attorney dies, or is removed, or suspended, or ceases to act as such, a party to an action for whom he or she was acting as attorney, must, at least twenty days before any further proceedings against him or her, be required by the adverse party, by written notice, to appoint another attorney, or to appear in person.

Sec. 63. RCW 2.48.080 and 1945 c 181 s 2 are each amended to read as follows:

If an applicant under RCW 2.48.070 through 2.48.110 is, at the time he or she applies for admission to practice law in the state of Washington, still in the armed forces of the United States, he or she may establish the requirements of the proviso in RCW 2.48.070 by a letter or certificate from his or her commanding officer and by the certificates of at least two active members of the Washington state bar association.

Sec. 64. RCW 2.48.090 and 1945 c 181 s 3 are each amended to read as follows:

If an applicant under RCW 2.48.070 through 2.48.110 is, at the time he or she applies for admission to practice law in the state of Washington, no longer in the armed forces of the United States, he or she may establish the requirements of the proviso in RCW 2.48.070 as follows:

(1) If he or she shall have been an enlisted person, by producing an honorable discharge, and by the certificates of at least two active members of the Washington state bar association.

(2) If he or she shall have been an officer, by an affidavit showing that he or she has been relieved from active duty under circumstances other than dishonorable, and by the certificates of at least two active members of the Washington state bar association.

Sec. 65. RCW 2.48.150 and 1933 c 94 s 11 are each amended to read as follows:

Applicants for admission to the bar upon accredited certificates or upon examination, not having been admitted to the bar in another state or territory, shall pay a fee of twenty-five dollars and all other applicants a fee of fifty dollars. Said admission fees shall be used to pay the expenses incurred in connection with examining and admitting applicants to the bar, including salaries of examiners, and any balance remaining at the close of each biennium shall be paid to the state treasurer and be by him or her credited to the general fund.

Sec. 66. RCW 2.48.160 and 1933 c 94 s 12 are each amended to read as follows:

Any member failing to pay any fees after the same become due, and after two months' written notice of his or her delinquency, must be suspended from membership in the state bar, but may be reinstated upon payment of accrued fees and such penalties as may be imposed by the board of governors, not exceeding double the amount of the delinquent fee.

Sec. 67. RCW 2.48.170 and 1933 c 94 s 13 are each amended to read as follows:

No person shall practice law in this state subsequent to the first meeting of the state bar unless he or she shall be an active member thereof as hereinbefore defined: PROVIDED, That a member of the bar in good standing in any other state or jurisdiction shall be entitled to appear in the courts of this state under such rules as the board of governors may prescribe.

Sec. 68. RCW 2.48.220 and 1921 c 126 s 14 are each amended to read as follows:

An attorney or counselor may be disbarred or suspended for any of the following causes arising after his or her admission to practice:

(1) His or her conviction of a felony or misdemeanor involving moral turpitude, in which case the record of conviction shall be conclusive evidence.

(2) ~~((Willful))~~ Willful disobedience or violation of an order of the court requiring him or her to do or forbear an act connected with, or in the course of, his or her profession, which he or she ought in good faith to do or forbear.

(3) Violation of his or her oath as an attorney, or of his or her duties as an attorney and counselor.

(4) Corruptly or ~~((wilfully))~~ willfully, and without authority, appearing as attorney for a party to an action or proceeding.

(5) Lending his or her name to be used as attorney and counselor by another person who is not an attorney and counselor.

(6) For the commission of any act involving moral turpitude, dishonesty, or corruption, whether the same be committed in the course of his or her relations as an attorney or counselor at law, or otherwise, and whether the same constitute a felony or misdemeanor or not; and if the act constitute a felony or misdemeanor, conviction thereof in a criminal proceeding shall not be a condition precedent to disbarment or suspension from practice therefor.

(7) Misrepresentation or concealment of a material fact made in his or her application for admission or in support thereof.

(8) Disbarment by a foreign court of competent jurisdiction.

(9) Practicing law with or in cooperation with a disbarred or suspended attorney, or maintaining an office for the practice of law in a room or office occupied or used in whole or in part by a disbarred or suspended attorney, or permitting a disbarred or suspended attorney to use his or her name for the practice of law, or practicing law for or on behalf of a disbarred or suspended attorney, or practicing law under any arrangement or understanding for division of fees or compensation of any kind with a disbarred or suspended attorney or with any person not a licensed attorney.

(10) Gross incompetency in the practice of the profession.

(11) Violation of the ethics of the profession.

Sec. 69. RCW 2.50.070 and 1939 c 93 s 7 are each amended to read as follows:

The legal aid county committee (hereinafter called the committee), if created and continued by resolution of the bar board, shall consist of three members chosen by the bar board as follows: A member of the bar board, who shall be ~~((chairman))~~ chair, a judge of the superior court of the county, and an active member of the Washington state bar association, resident in the county.

Sec. 70. RCW 2.50.080 and 1939 c 93 s 8 are each amended to read as follows:

Among the powers to supervise the actual operation of any such bureau, which shall be exercised either by the bar board itself or in its discretion by the committee, are the following:

(1) To appoint and remove at will the director and to fix the amount of his or her salary not in excess of two hundred dollars per month;

(2) To engage and discharge all other employees of the bureau and to fix their salaries or remuneration;

(3) To assist the director in supplying the free services of attorneys for the bureau;

(4) To cooperate with the dean of any law school now or hereafter established within this state respecting the participation of law students in the rendition of services by the bureau under the guidance of the director—however, by this provision, no law student shall be deemed authorized to represent as an attorney in a court of record any legal aid client;

(5) To require of the director periodically written statements of account and written reports upon any and all subjects within the operation of the bureau;

(6) To prescribe rules and regulations, always subject to the bar board, for determination of the indigent persons who are entitled to legal aid, for determination of the kinds of legal problems and cases subject to legal aid, and for determination of all operative legal aid policies not inconsistent with this chapter;

(7) To advise the county board, for its budget upon its written request, as to the estimated amount of county funds reasonably required to effectively operate the bureau for the ensuing fiscal year;

(8) To receive county funds allocated by the county board for the bureau, and to render an account thereof at the times and in the manner reasonably required by the county board;

(9) To disburse such county funds, after receipt thereof, solely for the purposes contemplated by this chapter.

Sec. 71. RCW 2.56.070 and 1981 c 186 s 4 are each amended to read as follows:

For attendance while holding court in another county or district pursuant to the direction of the chief justice, a judge shall be entitled to receive from the county to which he or she is sent reimbursement for subsistence, lodging, and travel expenses in accordance with the rates applicable to state officers under RCW 43.03.050 and 43.03.060 as now or hereafter amended.

Sec. 72. RCW 3.20.100 and 1943 c 126 s 1 are each amended to read as follows:

If, previous to the commencement of any trial before a justice of the peace, the defendant, his or her attorney or agent, shall make and file with the justice an affidavit that the deponent believes that the defendant cannot have an impartial trial before such justice, it shall be the duty of the justice to forthwith transmit all papers and documents belonging to the case to the next nearest justice of the peace in the same county, who is not of kin to either party, sick, absent from the county, or interested in the result of the action, either as counsel or otherwise. The justice to whom such papers and documents are so transmitted shall proceed as if the suit had been instituted before him or her. Distance, as contemplated by this section, shall mean to be by the nearest traveled route. The costs of such

change of venue shall abide the result of the suit. In precincts, and incorporated cities and towns where there are two or more justices of the peace, any one of them shall be considered the next nearest justice of the peace.

Sec. 73. RCW 3.30.090 and 1979 ex.s. c 136 s 15 are each amended to read as follows:

A violations bureau may be established by any city or district court having jurisdiction of traffic cases to assist in processing traffic cases. As designated by written order of the court having jurisdiction of traffic cases, specific offenses under city ordinance, county resolution, or state law may be processed by such bureau. Such bureau may be authorized to receive the posting of bail for such specified offenses, and, as authorized by the court order, to accept forfeiture of bail and payment of monetary penalties. The court order shall specify the amount of bail to be posted and shall also specify the circumstances or conditions which will require an appearance before the court. Such bureau, upon accepting the prescribed bail, shall issue a receipt to the alleged violator, which receipt shall bear a legend informing him or her of the legal consequences of bail forfeiture. The bureau shall transfer daily to the clerk of the proper department of the court all bail posted for offenses where forfeiture is not authorized by the court order, as well as copies of all receipts. All forfeitures or penalties paid to a violations bureau for violations of municipal ordinances shall be placed in the city general fund or such other fund as may be prescribed by ordinance. All forfeitures or penalties paid to a violations bureau for violations of state laws or county resolutions shall be remitted at least monthly to the county treasurer for deposit in the current expense fund. Employees of violations bureaus of a city shall be city employees under any applicable municipal civil service system.

Sec. 74. RCW 3.58.010 and 1986 c 155 s 7 are each amended to read as follows:

The annual salary of each full time district court judge shall be established by the Washington citizen's commission on salaries for elected officials. A member of the legislature whose term of office is partly coextensive with or extends beyond the present term of office of any of the officials whose salary is increased by virtue of the provisions of RCW 43.03.010, 2.04.092, 2.06.062, 2.08.092, and 3.58.010 shall be eligible to be appointed or elected to any of the offices the salary of which is increased hereby but he or she shall not be entitled to receive such increased salary until after the expiration of his or her present term of office and his or her subsequent election or reelection to the office to which he or she was appointed or elected respectively during his or her term of office as legislator.

Sec. 75. RCW 4.08.150 and Code 1881 s 22 are each amended to read as follows:

A defendant against whom an action is pending upon a contract, or for specific real or personal property, at any time before answer, upon affidavit that a person not a party to the action, and without collusion with him or her, makes against him or her a demand for the same debt or property, upon due notice to such person and the adverse party, may apply to the court for an order to substitute such person in his or her place, and discharge him or her from liability to either party on his or her depositing in court the amount of the debt, or

delivering the property or its value to such person as the court may direct; and the court may make the order.

Sec. 76. RCW 4.08.160 and 1890 p 93 s 1 are each amended to read as follows:

Anyone having in his or her possession, or under his or her control, any property or money, or being indebted, where more than one person claims to be the owner of, entitled to, interested in, or to have a lien on, such property, money, or indebtedness, or any part thereof, may commence an action in the superior court against all or any of such persons, and have their rights, claims, interest, or liens adjudged, determined, and adjusted in such action.

Sec. 77. RCW 4.08.170 and 1890 p 93 s 2 are each amended to read as follows:

In any action commenced under RCW 4.08.160, the plaintiff may disclaim any interest in the money, property, or indebtedness, and deposit with the clerk of the court the full amount of such money or indebtedness, or other property, and he or she shall not be liable for any costs accruing in said action. And the clerks of the various courts shall receive and file such complaint, and all other officers shall execute the necessary processes to carry out the purposes of this section, and RCW 4.08.160 and 4.08.180, free from all charge to said plaintiff, and the court, in its discretion, shall determine the liability for costs of the action.

Sec. 78. RCW 4.08.180 and 1890 p 94 s 3 are each amended to read as follows:

Either of the defendants may set up or show any claim or lien he or she may have to such property, money, or indebtedness, or any part thereof, and the superior right, title, or lien, whether legal or equitable, shall prevail.

The court or judge thereof may make all necessary orders, during the pendency of said action, for the preservation and protection of the rights, interests, or liens of the several parties.

Sec. 79. RCW 4.12.030 and Code 1881 s 51 are each amended to read as follows:

The court may, on motion, in the following cases, change the place of trial when it appears by affidavit, or other satisfactory proof:

- (1) That the county designated in the complaint is not the proper county; or,
- (2) That there is reason to believe that an impartial trial cannot be had therein; or,
- (3) That the convenience of witnesses or the ends of justice would be forwarded by the change; or,
- (4) That from any cause the judge is disqualified; which disqualification exists in either of the following cases: In an action or proceeding to which he or she is a party, or in which he or she is interested; when he or she is related to either party by consanguinity or affinity, within the third degree; when he or she has been of counsel for either party in the action or proceeding.

Sec. 80. RCW 4.12.070 and 1891 c 33 s 2 are each amended to read as follows:

Any party in a civil action pending in the superior court in a county out of whose limits a new county, in whole or in part, has been created, may file with the clerk of such superior court an affidavit setting forth that he or she is a resident of such newly created county, and that the venue of such action is

transitory, or that the venue of such action is local, and that it ought properly to be tried in such newly created county; and thereupon the clerk shall make out a transcript of the proceedings already had in such action in such superior court, and certify it under the seal of the court, and transmit such transcript, together with the papers on file in his or her office connected with such action, to the clerk of the superior court of such newly created county, wherein it shall be proceeded with as in other cases.

Sec. 81. RCW 4.14.020 and 1967 ex.s. c 46 s 5 are each amended to read as follows:

(1) A defendant or defendants desiring to remove any civil action from a justice court as authorized by RCW 4.14.010 shall file in the superior court in the county where such action is pending, a verified petition containing a short and plain statement of the facts which entitle him, her, or them to removal together with a copy of all process, pleadings and orders served upon him, her, or them in such action.

(2) The petition for removal of a civil action or proceeding shall be filed within twenty days after the receipt by the defendant, through service or otherwise, of a copy of the initial pleading setting forth the claim for relief upon which such action or proceeding is based.

If the case stated by the initial pleading is not removable, a petition for removal may be filed within twenty days after receipt by the defendant, through service or otherwise, of a copy of an amended pleading, motion, order, or other paper, including the defendant's answer, from which it may first be ascertained that the case is or has become removable.

(3) Promptly after the filing of such petition the defendant or defendants shall give written notice thereof to all adverse parties and shall file a copy of the petition with the justice court, which shall effect the removal and the justice court shall proceed no further unless and until the case is remanded.

Sec. 82. RCW 4.16.070 and 1890 p 81 s 1 are each amended to read as follows:

No action for the recovery of any real estate sold by an executor or administrator under the laws of this state shall be maintained by any heir or other person claiming under the deceased, unless it is commenced within five years next after the sale, and no action for any estate sold by a guardian shall be maintained by the ward, or by any person claiming under him or her, unless commenced within five years next after the termination of the guardianship, except that minors, and other persons under legal disability to sue at the time when the right of action first accrued, may commence such action at any time within three years after the removal of the disability.

Sec. 83. RCW 4.16.080 and 1989 c 38 s 2 are each amended to read as follows:

The following actions shall be commenced within three years:

(1) An action for waste or trespass upon real property;

(2) An action for taking, detaining, or injuring personal property, including an action for the specific recovery thereof, or for any other injury to the person or rights of another not hereinafter enumerated;

(3) Except as provided in RCW 4.16.040(2), an action upon a contract or liability, express or implied, which is not in writing, and does not arise out of any written instrument;

(4) An action for relief upon the ground of fraud, the cause of action in such case not to be deemed to have accrued until the discovery by the aggrieved party of the facts constituting the fraud;

(5) An action against a sheriff, coroner, or constable upon a liability incurred by the doing of an act in his or her official capacity and by virtue of his or her office, or by the omission of an official duty, including the nonpayment of money collected upon an execution; but this ~~((subdivision))~~ subsection shall not apply to action for an escape;

(6) An action against an officer charged with misappropriation or a failure to properly account for public funds intrusted to his or her custody; an action upon a statute for penalty or forfeiture, where an action is given to the party aggrieved, or to such party and the state, except when the statute imposing it prescribed a different limitation: PROVIDED, HOWEVER, The cause of action for such misappropriation, penalty, or forfeiture, whether for acts heretofore or hereafter done, and regardless of lapse of time or existing statutes of limitations, or the bar thereof, even though complete, shall not be deemed to accrue or to have accrued until discovery by the aggrieved party of the act or acts from which such liability has arisen or shall arise, and such liability, whether for acts heretofore or hereafter done, and regardless of lapse of time or existing statute of limitation, or the bar thereof, even though complete, shall exist and be enforceable for three years after discovery by aggrieved party of the act or acts from which such liability has arisen or shall arise.

Sec. 84. RCW 4.16.180 and 1927 c 132 s 1 are each amended to read as follows:

If the cause of action shall accrue against any person who is a nonresident of this state, or who is a resident of this state and shall be out of the state, or concealed therein, such action may be commenced within the terms herein respectively limited after the coming, or return of such person into the state, or after the end of such concealment; and if after such cause of action shall have accrued, such person shall depart from and reside out of this state, or conceal himself or herself, the time of his or her absence or concealment shall not be deemed or taken as any part of the time limit for the commencement of such action.

Sec. 85. RCW 4.16.200 and 1989 c 333 s 8 are each amended to read as follows:

Limitations on actions against a person who dies before the expiration of the time otherwise limited for commencement thereof are as set forth in chapter 11.40 RCW. Subject to the limitations on claims against a deceased person under chapter 11.40 RCW, if a person entitled to bring an action dies before the expiration of the time limited for the commencement thereof, and the cause of action survives, an action may be commenced by his or her representatives after the expiration of the time and within one year from his or her death.

Sec. 86. RCW 4.16.240 and Code 1881 s 41 are each amended to read as follows:

If an action shall be commenced within the time prescribed therefor, and a judgment therein for the plaintiff be reversed on error or appeal, the plaintiff, or if he or she dies and the cause of action survives, his or her heirs or representatives may commence a new action within one year after reversal.

Sec. 87. RCW 4.16.250 and Code 1881 s 42 are each amended to read as follows:

No person shall avail himself or herself of a disability unless it existed when his or her right of action accrued.

Sec. 88. RCW 4.16.350 and 2006 c 8 s 302 are each amended to read as follows:

Any civil action for damages for injury occurring as a result of health care which is provided after June 25, 1976, against:

(1) A person licensed by this state to provide health care or related services, including, but not limited to, a physician, osteopathic physician, dentist, nurse, optometrist, podiatric physician and surgeon, chiropractor, physical therapist, psychologist, pharmacist, optician, physician's assistant, osteopathic physician's assistant, nurse practitioner, or physician's trained mobile intensive care paramedic, including, in the event such person is deceased, his or her estate or personal representative;

(2) An employee or agent of a person described in subsection (1) of this section, acting in the course and scope of his or her employment, including, in the event such employee or agent is deceased, his or her estate or personal representative; or

(3) An entity, whether or not incorporated, facility, or institution employing one or more persons described in subsection (1) of this section, including, but not limited to, a hospital, clinic, health maintenance organization, or nursing home; or an officer, director, employee, or agent thereof acting in the course and scope of his or her employment, including, in the event such officer, director, employee, or agent is deceased, his or her estate or personal representative; based upon alleged professional negligence shall be commenced within three years of the act or omission alleged to have caused the injury or condition, or one year of the time the patient or his or her representative discovered or reasonably should have discovered that the injury or condition was caused by said act or omission, whichever period expires later, except that in no event shall an action be commenced more than eight years after said act or omission: PROVIDED, That the time for commencement of an action is tolled upon proof of fraud, intentional concealment, or the presence of a foreign body not intended to have a therapeutic or diagnostic purpose or effect, until the date the patient or the patient's representative has actual knowledge of the act of fraud or concealment, or of the presence of the foreign body; the patient or the patient's representative has one year from the date of the actual knowledge in which to commence a civil action for damages.

For purposes of this section, notwithstanding RCW 4.16.190, the knowledge of a custodial parent or guardian shall be imputed to a person under the age of eighteen years, and such imputed knowledge shall operate to bar the claim of such minor to the same extent that the claim of an adult would be barred under this section. Any action not commenced in accordance with this section shall be barred.

For purposes of this section, with respect to care provided after June 25, 1976, and before August 1, 1986, the knowledge of a custodial parent or guardian shall be imputed as of April 29, 1987, to persons under the age of eighteen years.

This section does not apply to a civil action based on intentional conduct brought against those individuals or entities specified in this section by a person for recovery of damages for injury occurring as a result of childhood sexual abuse as defined in RCW 4.16.340(5).

Sec. 89. RCW 4.20.010 and 1917 c 123 s 1 are each amended to read as follows:

When the death of a person is caused by the wrongful act, neglect, or default of another his or her personal representative may maintain an action for damages against the person causing the death; and although the death shall have been caused under such circumstances as amount, in law, to a felony.

Sec. 90. RCW 4.20.020 and 2007 c 156 s 29 are each amended to read as follows:

Every such action shall be for the benefit of the wife, husband, state registered domestic partner, child or children, including stepchildren, of the person whose death shall have been so caused. If there be no wife, husband, state registered domestic partner, or such child or children, such action may be maintained for the benefit of the parents, sisters, or brothers, who may be dependent upon the deceased person for support, and who are resident within the United States at the time of his or her death.

In every such action the jury may give such damages as, under all circumstances of the case, may to them seem just.

Sec. 91. RCW 4.20.050 and Code 1881 s 17 are each amended to read as follows:

No action shall abate by the death, marriage, or other disability of the party, or by the transfer of any interest therein, if the cause of action survives or continues; but the court may at any time within one year thereafter, on motion, allow the action to be continued by or against his or her representatives or successors in interest.

Sec. 92. RCW 4.22.050 and 1981 c 27 s 13 are each amended to read as follows:

(1) If the comparative fault of the parties to a claim for contribution has been established previously by the court in the original action, a party paying more than that party's equitable share of the obligation, upon motion, may recover judgment for contribution.

(2) If the comparative fault of the parties to the claim for contribution has not been established by the court in the original action, contribution may be enforced in a separate action, whether or not a judgment has been rendered against either the person seeking contribution or the person from whom contribution is being sought.

(3) If a judgment has been rendered, the action for contribution must be commenced within one year after the judgment becomes final. If no judgment has been rendered, the person bringing the action for contribution either must have (a) discharged by payment the common liability within the period of the statute of limitations applicable to the claimant's right of action against him or

her and commenced the action for contribution within one year after payment, or (b) agreed while the action was pending to discharge the common liability and, within one year after the agreement, have paid the liability and commenced an action for contribution.

Sec. 93. RCW 4.24.060 and 1983 c 3 s 5 are each amended to read as follows:

The common law right to an action for damages done by fires, is not taken away or diminished by RCW 4.24.040, 4.24.050, and 4.24.060, but it may be pursued; but any person availing himself or herself of the provisions of RCW 4.24.040, shall be barred of his or her action at common law for the damage so sued for, and no action shall be brought at common law for kindling fires in the manner described in RCW 4.24.050; but if any such fires shall spread and do damage, the person who kindled the same and any person present and concerned in driving such lumber, by whose act or neglect such fire is suffered to spread and do damage shall be liable in an action on the case for the amount of damages thereby sustained.

Sec. 94. RCW 4.24.080 and 1957 c 7 s 3 are each amended to read as follows:

It shall be lawful for any person letting or renting any house, room, shop, or other building whatsoever, or any boat, booth, garden, or other place, which shall, at any time, be used by the lessee or occupant thereof, or any other person, with his or her knowledge or consent, for gambling purposes, upon discovery thereof, to avoid and terminate such lease, or contract of occupancy, and to recover immediate possession of the premises by an action at law for that purpose.

Sec. 95. RCW 4.24.115 and 2010 c 120 s 1 are each amended to read as follows:

(1) A covenant, promise, agreement, or understanding in, or in connection with or collateral to, a contract or agreement relative to the construction, alteration, repair, addition to, subtraction from, improvement to, or maintenance of, any building, highway, road, railroad, excavation, or other structure, project, development, or improvement attached to real estate, including moving and demolition in connection therewith, or a motor carrier transportation contract, purporting to indemnify against liability for damages arising out of bodily injury to persons or damage to property:

(a) Caused by or resulting from the sole negligence of the indemnitee, his or her agents or employees is against public policy and is void and unenforceable;

(b) Caused by or resulting from the concurrent negligence of (i) the indemnitee or the indemnitee's agents or employees, and (ii) the indemnitor or the indemnitor's agents or employees, is valid and enforceable only to the extent of the indemnitor's negligence and only if the agreement specifically and expressly provides therefor, and may waive the indemnitor's immunity under industrial insurance, Title 51 RCW, only if the agreement specifically and expressly provides therefor and the waiver was mutually negotiated by the parties. This subsection applies to agreements entered into after June 11, 1986.

(2) As used in this section, a "motor carrier transportation contract" means a contract, agreement, or understanding covering: (a) The transportation of property for compensation or hire by the motor carrier; (b) entrance on property

by the motor carrier for the purpose of loading, unloading, or transporting property for compensation or hire; or (c) a service incidental to activity described in (a) or (b) of this subsection, including, but not limited to, storage of property, moving equipment or trailers, loading or unloading, or monitoring loading or unloading. "Motor carrier transportation contract" shall not include agreements providing for the interchange, use, or possession of intermodal chassis, containers, or other intermodal equipment.

Sec. 96. RCW 4.24.220 and 1967 c 76 s 3 are each amended to read as follows:

In any civil action brought by reason of any person having been detained on or in the immediate vicinity of the premises of a mercantile establishment for the purpose of investigation or questioning as to the ownership of any merchandise, it shall be a defense of such action that the person was detained in a reasonable manner and for not more than a reasonable time to permit such investigation or questioning by a peace officer or by the owner of the mercantile establishment, his or her authorized employee or agent, and that such peace officer, owner, employee, or agent had reasonable grounds to believe that the person so detained was committing or attempting to commit larceny or shoplifting on such premises of such merchandise. As used in this section, "reasonable grounds" shall include, but not be limited to, knowledge that a person has concealed possession of unpurchased merchandise of a mercantile establishment, and a "reasonable time" shall mean the time necessary to permit the person detained to make a statement or to refuse to make a statement, and the time necessary to examine employees and records of the mercantile establishment relative to the ownership of the merchandise.

Sec. 97. RCW 4.28.100 and 2005 c 117 s 1 are each amended to read as follows:

When the defendant cannot be found within the state, and upon the filing of an affidavit of the plaintiff, his or her agent, or attorney, with the clerk of the court, stating that he or she believes that the defendant is not a resident of the state, or cannot be found therein, and that he or she has deposited a copy of the summons (substantially in the form prescribed in RCW 4.28.110) and complaint in the post office, directed to the defendant at his or her place of residence, unless it is stated in the affidavit that such residence is not known to the affiant, and stating the existence of one of the cases hereinafter specified, the service may be made by publication of the summons, by the plaintiff or his or her attorney in any of the following cases:

- (1) When the defendant is a foreign corporation, and has property within the state;
- (2) When the defendant, being a resident of this state, has departed therefrom with intent to defraud his or her creditors, or to avoid the service of a summons, or keeps himself or herself concealed therein with like intent;
- (3) When the defendant is not a resident of the state, but has property therein and the court has jurisdiction of the subject of the action;
- (4) When the action is for (a) establishment or modification of a parenting plan or residential schedule; or (b) dissolution of marriage, legal separation, or declaration of invalidity, in the cases prescribed by law;

(5) When the action is for nonparental custody under chapter 26.10 RCW and the child is in the physical custody of the petitioner;

(6) When the subject of the action is real or personal property in this state, and the defendant has or claims a lien or interest, actual or contingent, therein, or the relief demanded consists wholly, or partly, in excluding the defendant from any interest or lien therein;

(7) When the action is to foreclose, satisfy, or redeem from a mortgage, or to enforce a lien of any kind on real estate in the county where the action is brought, or satisfy or redeem from the same;

(8) When the action is against any corporation, whether private or municipal, organized under the laws of the state, and the proper officers on whom to make service do not exist or cannot be found;

(9) When the action is brought under RCW 4.08.160 and 4.08.170 to determine conflicting claims to property in this state.

Sec. 98. RCW 4.28.110 and 1985 c 469 s 2 are each amended to read as follows:

The publication shall be made in a newspaper of general circulation in the county where the action is brought once a week for six consecutive weeks: PROVIDED, That publication of summons shall not be made until after the filing of the complaint, and the service of the summons shall be deemed complete at the expiration of the time prescribed for publication. The summons must be subscribed by the plaintiff or his or her attorney or attorneys. The summons shall contain the date of the first publication, and shall require the defendant or defendants upon whom service by publication is desired, to appear and answer the complaint within sixty days from the date of the first publication of the summons; and the summons for publication shall also contain a brief statement of the object of the action. The summons for publication shall be substantially as follows:

In the superior court of the State of Washington for the county of
. Plaintiff,
vs. No.
. Defendant.

The State of Washington to the said (naming the defendant or defendants to be served by publication):

You are hereby summoned to appear within sixty days after the date of the first publication of this summons, to wit, within sixty days after the day of, 1, and defend the above entitled action in the above entitled court, and answer the complaint of the plaintiff, and serve a copy of your answer upon the undersigned attorneys for plaintiff, at his (or their) office below stated; and in case of your failure so to do, judgment will be rendered against you according to the demand of the complaint, which has been filed with the clerk of said court. (Insert here a brief statement of the object of the action.)

.....
Plaintiff's Attorneys.
P.O. Address
County
Washington.

Sec. 99. RCW 4.28.140 and 1903 c 144 s 2 are each amended to read as follows:

Upon presenting an affidavit to the court or judge, showing to his or her satisfaction that the heirs of such deceased person are proper parties to the action, and that their names and residences cannot with use of reasonable diligence be ascertained, such court or judge may grant an order that service of the summons in such action be made on such "Unknown heirs" by publication thereof in the same manner as in actions against nonresident defendants.

Sec. 100. RCW 4.28.185 and 1977 c 39 s 1 are each amended to read as follows:

(1) Any person, whether or not a citizen or resident of this state, who in person or through an agent does any of the acts in this section enumerated, thereby submits said person, and, if an individual, his or her personal representative, to the jurisdiction of the courts of this state as to any cause of action arising from the doing of any of said acts:

(a) The transaction of any business within this state;

(b) The commission of a tortious act within this state;

(c) The ownership, use, or possession of any property whether real or personal situated in this state;

(d) Contracting to insure any person, property, or risk located within this state at the time of contracting;

(e) The act of sexual intercourse within this state with respect to which a child may have been conceived;

(f) Living in a marital relationship within this state notwithstanding subsequent departure from this state, as to all proceedings authorized by chapter 26.09 RCW, so long as the petitioning party has continued to reside in this state or has continued to be a member of the armed forces stationed in this state.

(2) Service of process upon any person who is subject to the jurisdiction of the courts of this state, as provided in this section, may be made by personally serving the defendant outside this state, as provided in RCW 4.28.180, with the same force and effect as though personally served within this state.

(3) Only causes of action arising from acts enumerated herein may be asserted against a defendant in an action in which jurisdiction over him or her is based upon this section.

(4) Personal service outside the state shall be valid only when an affidavit is made and filed to the effect that service cannot be made within the state.

(5) In the event the defendant is personally served outside the state on causes of action enumerated in this section, and prevails in the action, there may be taxed and allowed to the defendant as part of the costs of defending the action a reasonable amount to be fixed by the court as attorneys' fees.

(6) Nothing herein contained limits or affects the right to serve any process in any other manner now or hereafter provided by law.

Sec. 101. RCW 4.28.200 and 1893 c 127 s 12 are each amended to read as follows:

If the summons is not served personally on the defendant in the cases provided in RCW 4.28.110 and 4.28.180, he or she or his or her representatives, on application and sufficient cause shown, at any time before judgment, shall be allowed to defend the action and, except in an action for divorce, the defendant or his or her representative may in like manner be allowed to defend after judgment, and within one year after the rendition of such judgment, on such

terms as may be just; and if the defense is successful, and the judgment, or any part thereof, has been collected or otherwise enforced, such restitution may thereupon be compelled as the court directs.

Sec. 102. RCW 4.28.210 and 1893 c 127 s 16 are each amended to read as follows:

A defendant appears in an action when he or she answers, demurs, makes any application for an order therein, or gives the plaintiff written notice of his or her appearance. After appearance a defendant is entitled to notice of all subsequent proceedings; but when a defendant has not appeared, service of notice or papers in the ordinary proceedings in an action need not be made upon him or her. Every such appearance made in an action shall be deemed a general appearance, unless the defendant in making the same states that the same is a special appearance.

Sec. 103. RCW 4.28.325 and 1999 c 233 s 4 are each amended to read as follows:

In an action in a United States district court for any district in the state of Washington affecting the title to real property in the state of Washington, the plaintiff, at the time of filing the complaint, or at any time afterwards, or a defendant, when he or she sets up an affirmative cause of action in his or her answer, or at any time afterward, if the same be intended to affect real property, may file with the auditor of each county in which the property is situated a notice of the pendency of the action, containing the names of the parties, the object of the action and a description of the real property in that county affected thereby. From the time of the filing only shall the pendency of the action be constructive notice to a purchaser or encumbrancer of the property affected thereby, and every person whose conveyance or encumbrance is subsequently executed or subsequently recorded shall be deemed a subsequent purchaser or encumbrancer, and shall be bound by all proceedings taken after the filing of such notice to the same extent as if he or she were a party to the action. For the purpose of this section an action shall be deemed to be pending from the time of filing such notice: PROVIDED, HOWEVER, That such notice shall be of no avail unless it shall be followed by the first publication of the summons, or by personal service thereof on a defendant within sixty days after such filing. And the court in which the said action was commenced may, in its discretion, at any time after the action shall be settled, discontinued, or abated, on application of any person aggrieved and on good cause shown and on such notice as shall be directed or approved by the court, order the notice authorized in this section to be canceled, in whole or in part, by the county auditor of any county in whose office the same may have been filed or recorded, and such cancellation shall be evidenced by the recording of the court order.

Sec. 104. RCW 4.32.150 and Code 1881 s 502 are each amended to read as follows:

To entitle a defendant to a setoff he or she must set the same forth in his or her answer.

Sec. 105. RCW 4.36.080 and Code 1881 s 97 are each amended to read as follows:

In pleading the performance of conditions precedent in a contract, it shall not be necessary to state the facts showing such performance, but it may be

stated generally that the party duly performed all the conditions on his or her part; and if such allegation be controverted, the party pleading shall be bound to establish, on the trial, the facts showing such performance.

Sec. 106. RCW 4.36.130 and Code 1881 s 100 are each amended to read as follows:

In an action mentioned in RCW 4.36.120, the defendant may, in his or her answer, allege both the truth of the matter charged as defamatory, and any mitigating circumstances to reduce the amount of damages; and whether he or she proves the justification or not, he or she may give in evidence the mitigating circumstances.

Sec. 107. RCW 4.36.140 and Code 1881 s 101 are each amended to read as follows:

In an action to recover the possession of property distrained doing damage, an answer that the defendant or person by whose command he or she acted, was lawfully possessed of the real property upon which the distress was made, and that the property distrained was at the time doing the damage thereon, shall be good, without setting forth the title to such real property.

Sec. 108. RCW 4.36.210 and Code 1881 s 108 are each amended to read as follows:

Where the plaintiff in an action to recover the possession of personal property on a claim of being the owner thereof, shall fail to establish on trial such ownership, but shall prove that he or she is entitled to the possession thereof, by virtue of a special property therein, he or she shall not thereby be defeated of his or her action, but shall be permitted to amend, on reasonable terms his or her complaint, and be entitled to judgment according to the proof in the case.

Sec. 109. RCW 4.56.060 and Code 1881 s 503 are each amended to read as follows:

If the amount of the setoff, duly established, be equal to the plaintiff's debt or demand, judgment shall be rendered that the plaintiff take nothing by his or her action; if it be less than the plaintiff's debt or demand, the plaintiff shall have judgment for the residue only.

Sec. 110. RCW 4.56.120 and 1929 c 89 s 1 are each amended to read as follows:

An action in the superior court may be dismissed by the court and a judgment of nonsuit rendered in the following cases:

(1) Upon the motion of the plaintiff, (a) when the case is to be or is being tried before a jury, at any time before the court announces its decision in favor of the defendant upon a challenge to the legal sufficiency of the evidence, or before the jury retire to consider their verdict, (b) when the action, whether for legal or equitable relief, is to be or is being tried before the court without a jury, at any time before the court has announced its decision: PROVIDED, That no action shall be dismissed upon the motion of the plaintiff, if the defendant has interposed a setoff as a defense, or seeks affirmative relief growing out of the same transaction, or sets up a counterclaim, either legal or equitable, to the specific property or thing which is the subject matter of the action.

(2) Upon the motion of either party, upon the written consent of the other.

(3) When the plaintiff fails to appear at the time of trial and the defendant appears and asks for a dismissal.

(4) Upon its own motion, when, upon the trial and before the final submission of the case, the plaintiff abandons it.

(5) Upon its own motion, on the refusal or neglect of the plaintiff to make the necessary parties defendants, after having been ordered so to do by the court.

(6) Upon the motion of some of the defendants, when there are others whom the plaintiff fails to prosecute with diligence.

(7) Upon its own motion, for disobedience of the plaintiff to an order of the court concerning the proceedings in the action.

(8) Upon the motion of the defendant, when, upon the trial, the plaintiff fails to prove some material fact or facts necessary to sustain his or her action, as alleged in his or her complaint. When judgment of nonsuit is given, the action is dismissed, but such judgment shall not have the effect to bar another action for the same cause. In every case, other than those mentioned in this section, the judgment shall be rendered upon the merits and shall bar another action for the same cause.

Sec. 111. RCW 4.60.010 and Code 1881 s 291 are each amended to read as follows:

On the confession of the defendant, with the assent of the plaintiff or his or her attorney, judgment may be given against the defendant in any action before or after answer, for any amount or relief not exceeding or different from that demanded in the complaint.

Sec. 112. RCW 4.60.020 and Code 1881 s 292 are each amended to read as follows:

When the action is against the state, a county or other public corporation therein, or a private corporation, or a minor, the confession shall be made by the person who at the time sustains the relation to such state, corporation, county or minor, as would authorize the service of a notice (~~(summons)~~) summons upon him or her; or in the case of a minor, if a guardian for the action has been appointed, then by such guardian; in all other cases the confession shall be made by the defendant in person.

Sec. 113. RCW 4.60.060 and Code 1881 s 296 are each amended to read as follows:

A statement in writing shall be made, signed by the defendant and verified by his or her oath, to the following effect:

(1) It shall authorize the entry of judgment for a specified sum.

(2) If it be for money due or to become due, it shall state concisely the facts out of which the indebtedness arose, and shall show that the sum confessed to be due, is justly due or to become due.

(3) If it be for the purpose of securing the plaintiff against a contingent liability, it shall state concisely the facts constituting the liability, and show that the sum confessed therefor does not exceed the same.

Sec. 114. RCW 4.68.020 and Code 1881 s 315 are each amended to read as follows:

The summons, as provided in RCW 4.68.010, must describe the judgment, and require the person summoned to show cause why he or she should not be

bound by it, and must be served in the same manner and returnable within the same time, as the original summons. It is not necessary to file a new complaint.

Sec. 115. RCW 4.68.030 and Code 1881 s 316 are each amended to read as follows:

The summons must be accompanied by an affidavit of the plaintiff, his or her agent, representative, or attorney, that the judgment, or some part thereof, remains unsatisfied, and must specify the amount due thereon.

Sec. 116. RCW 4.68.040 and Code 1881 s 317 are each amended to read as follows:

Upon the service of such summons and affidavit, the defendant may answer within the time specified therein, denying the judgment, or setting up any defense which may have arisen subsequently to the taking of the judgment, or he or she may deny his or her liability on the obligation upon which the judgment was rendered, except a discharge from such liability by the statute of limitations.

Sec. 117. RCW 4.68.050 and Code 1881 s 318 are each amended to read as follows:

If the defendant in his or her answer, deny the judgment, or set up any defense which may have arisen subsequently, the summons, with the affidavit annexed, and the answer, constitute the written allegations in the case; if he or she deny his or her liability on the obligation upon which the judgment was rendered, a copy of the original complaint and judgment, the summons with the affidavit annexed, and the answer constitute such written allegations.

Sec. 118. RCW 4.68.060 and Code 1881 s 319 are each amended to read as follows:

The issue formed may be tried as in other cases, but when the defendant denies in his or her answer any liability on the obligation upon which the judgment was rendered, if a verdict be found against him or her, it must not exceed the amount remaining unsatisfied on such original judgment, with interest thereon.

Sec. 119. RCW 4.72.020 and 1891 c 27 s 1 are each amended to read as follows:

The proceedings to vacate or modify a judgment or order for mistakes or omissions of the clerk, or irregularity in obtaining the judgment or order, shall be by motion served on the adverse party or on his or her attorney in the action, and within one year.

Sec. 120. RCW 4.84.040 and Code 1881 s 508 are each amended to read as follows:

In an action for an assault and battery, or for false imprisonment, libel, slander, malicious prosecution, criminal conversation or seduction, if the plaintiff recover less than ten dollars, he or she shall be entitled to no more costs or disbursements than the damage recovered.

Sec. 121. RCW 4.84.050 and Code 1881 s 509 are each amended to read as follows:

When several actions are brought on one bond, undertaking, promissory note, bill of exchange, or other instrument in writing, or in any other case for the same cause of action against several parties, who might have been joined as defendants in the same action, no costs or disbursements shall be allowed to the

plaintiff in more than one of such actions, which may be at his or her election, if the parties proceeded against in the other actions were, at the commencement of the previous action, openly within this state.

Sec. 122. RCW 4.84.060 and Code 1881 s 510 are each amended to read as follows:

In all cases where costs and disbursements are not allowed to the plaintiff, the defendant shall be entitled to have judgment in his or her favor for the same.

Sec. 123. RCW 4.84.090 and 1949 c 146 s 1 are each amended to read as follows:

The prevailing party, in addition to allowance for costs, as provided in RCW 4.84.080, shall also be allowed for all necessary disbursements, including the fees of officers allowed by law, the fees of witnesses, the necessary expenses of taking depositions, by commission or otherwise, and the compensation of referees. The court shall allow the prevailing party all service of process charges in case such process was served by a person or persons not an officer or officers. Such service charge shall be the same as is now allowed or shall in the future be allowed as fee and mileage to an officer. The disbursements shall be stated in detail and verified by affidavit, and shall be served on the opposite party or his or her attorney, and filed with the clerk of the court, within ten days after the judgment: PROVIDED, The clerk of the court shall keep a record of all witnesses in attendance upon any civil action, for whom fees are to be claimed, with the number of days in attendance and their mileage, and no fees or mileage for any witness shall be taxed in the cost bill unless they shall have reported their attendance at the close of each day's session to the clerk in attendance at such trial.

Sec. 124. RCW 4.84.110 and Code 1881 s 516 are each amended to read as follows:

When in an action for the recovery of money, the defendant alleges in his or her answer, that, before the commencement of the action, he or she tendered to the plaintiff the full amount to which he or she is entitled, in such money as by agreement ought to be tendered, and thereupon brings into court, for the plaintiff, the amount tendered, and the allegation be found true, the plaintiff shall not recover costs, but shall pay them to the defendant.

Sec. 125. RCW 4.84.120 and Code 1881 s 517 are each amended to read as follows:

If the defendant in any action pending, shall at any time deposit with the clerk of the court, for the plaintiff, the amount which he or she admits to be due, together with all costs that have accrued, and notify the plaintiff thereof, and such plaintiff shall refuse to accept the same in discharge of the action, and shall not afterwards recover a larger amount than that deposited with the clerk, exclusive of interest and cost, he or she shall pay all costs that may accrue from the time such money was so deposited.

Sec. 126. RCW 4.84.140 and Code 1881 s 519 are each amended to read as follows:

When costs are adjudged against an infant plaintiff, the guardian or person by whom he or she appeared in the action shall be responsible therefor, and payment may be enforced by execution.

Sec. 127. RCW 4.84.150 and Code 1881 s 520 are each amended to read as follows:

In ~~((an))~~ an action prosecuted or defended by an executor, administrator, trustee of an express trust, or a person expressly authorized by statute, costs shall be recovered as in an action by or against a person prosecuting in his or her own right, but such costs shall be chargeable only upon or collected of the estate of the party represented, unless the court shall direct the same to be paid by the plaintiff or defendant personally, for mismanagement or bad faith in such action or defense.

Sec. 128. RCW 4.84.160 and Code 1881 s 521 are each amended to read as follows:

When the cause of action, after the commencement of the action, by assignment, or in any other manner, becomes the property of a person not a party thereto, and the prosecution or defense is thereafter continued, such person shall be liable for the costs in the same manner as if he or she were a party, and payment thereof may be enforced by execution.

Sec. 129. RCW 4.84.220 and 1929 c 103 s 2 are each amended to read as follows:

In lieu of separate security for each action or proceeding in any court, the plaintiff may cause to be executed and filed in the court a bond in the penal sum of two hundred dollars running to the state of Washington, with surety as in case of a separate bond, and conditioned for the payment of all judgments for costs which may thereafter be rendered against him or her in that court. Any defendant or garnishee who shall thereafter recover a judgment for costs in said court against the principal on such bond shall likewise be entitled to judgment against the sureties. Such bond shall not be sufficient unless the penalty thereof is unimpaired by any outstanding obligation at the time of the commencement of the action.

Sec. 130. RCW 4.84.240 and 1909 c 173 s 1 are each amended to read as follows:

Whenever any bond or undertaking for the payment of any costs to any party shall be filed in any action or other legal proceeding in any court in this state and judgment should be rendered for any such costs against the principal on any such bonds or against the party primarily liable therefor in whose behalf any such bond or undertaking has been filed, such judgment for costs shall be rendered against the principal on such bond or the party primarily liable therefor and at the same time also against his or her surety or sureties on any or all such bonds or undertakings filed in any such action or other legal proceeding.

Sec. 131. RCW 4.84.330 and 1977 ex.s. c 203 s 1 are each amended to read as follows:

In any action on a contract or lease entered into after September 21, 1977, where such contract or lease specifically provides that ~~((attorney's))~~ attorneys' fees and costs, which are incurred to enforce the provisions of such contract or lease, shall be awarded to one of the parties, the prevailing party, whether he or she is the party specified in the contract or lease or not, shall be entitled to reasonable ~~((attorney's))~~ attorneys' fees in addition to costs and necessary disbursements.

~~((Attorney's))~~ Attorneys' fees provided for by this section shall not be subject to waiver by the parties to any contract or lease which is entered into after September 21, 1977. Any provision in any such contract or lease which provides for a waiver of ~~((attorney's))~~ attorneys' fees is void.

As used in this section "prevailing party" means the party in whose favor final judgment is rendered.

Sec. 132. RCW 5.28.020 and 2 H. C. s 1694 are each amended to read as follows:

An oath may be administered as follows: The person who swears holds up his or her hand, while the person administering the oath thus addresses him or her: "You do solemnly swear that the evidence you shall give in the issue (or matter) now pending between and shall be the truth, the whole truth, and nothing but the truth, so help you God." If the oath be administered to any other than a witness giving testimony, the form may be changed to: "You do solemnly swear you will true answers make to such questions as you may be asked," etc.

Sec. 133. RCW 5.28.030 and 2 H. C. s 1695 are each amended to read as follows:

Whenever the court or officer before which a person is offered as a witness is satisfied that he or she has a peculiar mode of swearing connected with or in addition to the usual form of administration, which, in witness' opinion, is more solemn or obligatory, the court or officer may, in its discretion, adopt that mode.

Sec. 134. RCW 5.28.040 and 2 H. C. s 1696 are each amended to read as follows:

When a person is sworn who believes in any other than the Christian religion, he or she may be sworn according to the peculiar ceremonies of his or her religion, if there be any such.

Sec. 135. RCW 5.28.050 and 2 H. C. s 1697 are each amended to read as follows:

Any person who has conscientious scruples against taking an oath, may make his or her solemn affirmation, by assenting, when addressed, in the following manner: "You do solemnly affirm that," etc., as in RCW 5.28.020.

Sec. 136. RCW 5.40.020 and 1945 c 101 s 1 are each amended to read as follows:

A written finding of presumed death, made by the secretary of war, the secretary of the navy, or other officer or employee of the United States authorized to make such finding, pursuant to the federal missing persons act (56 Stat. 143, 1092, and P.L. 408, Ch. 371, 2d Sess. 78th Cong.; U.S.C. App. Supp. 1001-17), as now or hereafter amended, or a duly certified copy of such finding, shall be received in any court, office, or other place in this state as prima facie evidence of the death of the person therein found to be dead, and the date, circumstances, and place of his or her disappearance.

Sec. 137. RCW 5.40.040 and 1945 c 101 s 3 are each amended to read as follows:

For the purposes of RCW 5.40.020 and 5.40.030 any finding, report or record, or duly certified copy thereof, purporting to have been signed by such an officer or employee of the United States as is described in said sections, shall

prima facie be deemed to have been signed and issued by such an officer or employee pursuant to law, and the person signing same shall prima facie be deemed to have acted within the scope of his or her authority. If a copy purports to have been certified by a person authorized by law to certify the same, such certified copy shall be prima facie evidence of his or her authority so to certify.

Sec. 138. RCW 5.48.060 and 1957 c 9 s 5 are each amended to read as follows:

In case of the loss or destruction by fire or otherwise of the records, or any part thereof, of any probate court or superior court having probate jurisdiction, the judge of any such court may proceed, upon its own motion, or upon application in writing of any party in interest, to restore the records, papers, and proceedings of either of said courts relating to the estates of deceased persons, including recorded wills, wills probated, or filed for probate in such courts, all marriage records and all other records and proceedings, and for the purpose of restoring said records, wills, papers, or proceedings, or any part thereof, may cause citations or other process to be issued to any and all parties to be designated by him or her, and may compel the attendance in court of any and all witnesses whose testimony may be necessary to the establishment of any such record or part thereof, and the production of any and all written or documentary evidence which may be by him or her deemed necessary in determining the true import and effect of the original records, will, paper, or other document belonging to the files of said courts; and may make such orders and decrees establishing such original record, will, paper, document or proceeding, or the substance thereof, as to him or her shall seem just and proper.

Sec. 139. RCW 5.52.010 and Code 1881 s 2352 are each amended to read as follows:

Contracts made by telegraph shall be deemed to be contracts in writing; and all communications sent by telegraph and signed by the person or persons sending the same, or by his, her, or their authority, shall be held and deemed to be communications in writing.

Sec. 140. RCW 5.52.020 and Code 1881 s 2353 are each amended to read as follows:

Whenever any notice, information, or intelligence, written or otherwise, is required to be given, the same may be given by telegraph: PROVIDED, That the dispatch containing the same be delivered to the person entitled thereto, or to his or her agent or attorney. Notice by telegraph shall be deemed actual notice.

Sec. 141. RCW 5.56.010 and 1963 c 19 s 1 are each amended to read as follows:

Any person may be compelled to attend as a witness before any court of record, judge, commissioner, or referee, in any civil action or proceeding in this state. No such person shall be compelled to attend as a witness in any civil action or proceeding unless the fees be paid or tendered him or her which are allowed by law for one day's attendance as a witness and for traveling to and returning from the place where he or she is required to attend, together with any allowance for meals and lodging theretofore fixed as specified herein: PROVIDED, That such fees be demanded by any witness residing within the same county where such court of record, judge, commissioner, or referee is located, or within twenty miles of the place where such court is located, at the

time of service of the subpoena: PROVIDED FURTHER, That a party desiring the attendance of a witness residing outside of the county in which such action or proceeding is pending, or more than twenty miles of the place where such court is located, shall apply ex parte to such court, or to the judge, commissioner, referee, or clerk thereof, who, if such application be granted and a subpoena issued, shall fix without notice an allowance for meals and lodging, if any to be allowed, together with necessary travel expenses, and the amounts so fixed shall be endorsed upon the subpoena and tendered to such witness at the time of the service of the subpoena: PROVIDED FURTHER, That the court shall fix and allow at or after trial such additional amounts for meals, lodging, and travel as it may deem reasonable for the attendance of such witness.

Sec. 142. RCW 5.56.050 and Code 1881 s 397 are each amended to read as follows:

A person present in court or before a judicial officer, may be required to testify in the same manner as if he or she were in attendance upon a subpoena issued by such court or officer.

Sec. 143. RCW 5.56.060 and Code 1881 s 398 are each amended to read as follows:

If any person duly served with a subpoena and obliged to attend as a witness, shall fail to do so, without any reasonable excuse, he or she shall be liable to the aggrieved party for all damages occasioned by such failure, to be recovered in a civil action.

Sec. 144. RCW 5.56.090 and Code 1881 s 401 are each amended to read as follows:

If the witness be a prisoner confined in a jail or prison within this state, an order for his or her examination in prison, upon deposition, or for his or her temporary removal and production before a court or officer, for the purpose of being orally examined, may be issued.

Sec. 145. RCW 6.23.040 and 1987 c 442 s 704 are each amended to read as follows:

(1) If property is redeemed from the purchaser by a redemptioner, as provided in RCW 6.23.020, another redemptioner may, within sixty days after the first redemption, redeem it from the first redemptioner. The property may be again, and as often as a redemptioner is so disposed, redeemed from any previous redemptioner within sixty days after the last redemption, and such sixty-day redemption periods may extend beyond the period prescribed in RCW 6.23.020 for redemption from the purchaser.

(2) The judgment debtor may also redeem from a redemptioner, but in all cases the judgment debtor shall have the entire redemption period prescribed by RCW 6.23.020, but no longer unless the time is extended under RCW 6.23.030 or 6.23.090. If the judgment debtor redeems, the effect of the sale is terminated and the estate of the debtor is restored.

(3) A redemptioner may redeem under this section by paying the sum paid on the last previous redemption with interest at the rate of eight percent per annum, and the amount of any assessments or taxes which the last previous redemptioner paid on the property after redeeming, with like interest, and the amount of any liens by judgment, decree, deed of trust, or mortgage, other than the judgment under which the property was sold, held by the last redemptioner,

prior to his or her own, with interest. A judgment debtor who redeems from a redemptioner under this section must make the same payments as are required to effect a redemption by a redemptioner, including any lien by judgment, decree, deed of trust, or mortgage, other than the judgment under which the property was sold, held by the redemptioner. A redemptioner who pays any taxes or assessments, or has or acquires any such lien as herein mentioned, must file a statement as required under RCW 6.23.050.

Sec. 146. RCW 6.23.110 and 1987 c 442 s 711 are each amended to read as follows:

(1) Except as provided in this section and RCW 6.23.090, the purchaser from the day of sale until a resale or redemption, and the redemptioner from the day of redemption until another redemption, shall be entitled to the possession of the property purchased or redeemed, unless the same be in the possession of a tenant holding under an unexpired lease, and in such case shall be entitled to receive from such tenant the rents or the value of the use and occupation thereof during the period of redemption.

(2) If a mortgage contains a stipulation that in case of foreclosure the mortgagor may remain in possession of the mortgaged premises after sale and until the period of redemption has expired, the court shall make its decree to that effect and the mortgagor shall have such right.

(3) As to any land so sold which is at the time of the sale used for farming purposes, or which is a part of a farm used, at the time of sale, for farming purposes, the judgment debtor shall be entitled to retain possession thereof during the period of redemption and the purchaser or his or her successor in interest shall, if the judgment debtor does not redeem, have a lien upon the crops raised or harvested thereon during said period of redemption, for interest on the purchase price at the rate of six percent per annum during said period of redemption and for taxes becoming delinquent during the period of redemption together with interest thereon.

(4) In case of any homestead as defined in chapter 6.13 RCW and occupied for that purpose at the time of sale, the judgment debtor shall have the right to retain possession thereof during the period of redemption without accounting for issues or for value of occupation.

Sec. 147. RCW 6.25.030 and 1987 c 442 s 803 are each amended to read as follows:

The writ of attachment may be issued by the court in which the action is pending on one or more of the following grounds:

(1) That the defendant is a foreign corporation; or

(2) That the defendant is not a resident of this state; or

(3) That the defendant conceals himself or herself so that the ordinary process of law cannot be served upon him or her; or

(4) That the defendant has absconded or absented himself or herself from his or her usual place of abode in this state, so that the ordinary process of law cannot be served upon him or her; or

(5) That the defendant has removed or is about to remove any of his or her property from this state, with intent to delay or defraud his or her creditors; or

(6) That the defendant has assigned, secreted, or disposed of, or is about to assign, secrete, or dispose of, any of his or her property, with intent to delay or defraud his or her creditors; or

(7) That the defendant is about to convert his or her property, or a part thereof, into money, for the purpose of placing it beyond the reach of his or her creditors; or

(8) That the defendant has been guilty of a fraud in contracting the debt or incurring the obligation for which the action is brought; or

(9) That the damages for which the action is brought are for injuries arising from the commission of some felony, gross misdemeanor, or misdemeanor; or

(10) That the object for which the action is brought is to recover on a contract, express or implied.

Sec. 148. RCW 6.25.040 and 1987 c 442 s 804 are each amended to read as follows:

An action may be commenced and the property of a debtor may be attached previous to the time when the debt becomes due, when nothing but time is wanting to fix an absolute indebtedness, and when the complaint and the affidavit allege, in addition to that fact, one or more of the following grounds:

(1) That the defendant is about to dispose or has disposed of his or her property in whole or in part with intent to defraud his or her creditors; or

(2) That the defendant is about to remove from the state and refuses to make any arrangements for securing the payment of the debt when it falls due, and the contemplated removal was not known to the plaintiff at the time the debt was contracted; or

(3) That the debt was incurred for property obtained under false pretenses.

Sec. 149. RCW 6.32.030 and 1923 c 160 s 1 are each amended to read as follows:

Any person may be made a party to a supplemental proceeding by service of a like order in like manner as that required to be served upon the judgment debtor, and upon proof by affidavit or otherwise, to the satisfaction of the judge, that execution has been issued and return made thereon wholly or partially unsatisfied, and also that any person or corporation has personal property of the judgment debtor of the value of twenty-five dollars or over, or is indebted to him or her in said amount, or is holding the title to real estate for the judgment debtor, or has knowledge concerning the property interests of the judgment debtor, the judge may make an order requiring such person or corporation, or an officer thereof, to appear at a specified time and place before him or her, or a referee appointed by him or her, and answer concerning the same.

Sec. 150. RCW 6.32.040 and 1893 c 133 s 4 are each amended to read as follows:

An order requiring a person to attend and be examined, made pursuant to any provision of this chapter, must require him or her so to attend and be examined either before the judge to whom the order is returnable or before a referee designated therein. Where the examination is taken before a referee, he or she must certify to the judge to whom the order is returnable all of the evidence and other proceedings taken before him or her.

Sec. 151. RCW 6.32.050 and 1893 c 133 s 5 are each amended to read as follows:

Upon an examination made under this chapter, the answer of the party or witness examined must be under oath. A corporation must attend by and answer under the oath of an officer thereof, and the judge may, in his or her discretion, specify the officer. Either party may be examined as a witness in his or her own behalf, and may produce and examine other witnesses as upon the trial of an action. The judge or referee may adjourn any proceedings under this chapter, from time to time, as he or she thinks proper.

Sec. 152. RCW 6.32.060 and 1893 c 133 s 6 are each amended to read as follows:

Unless the parties expressly waive the referee's oath, a referee appointed as prescribed in this chapter must, before entering upon an examination or taking testimony, subscribe and take an oath that he or she will faithfully and fairly discharge his or her duty upon the reference, and make a just and true report according to the best of his or her understanding. The oath must be returned to the judge with the report of the testimony.

Sec. 153. RCW 6.32.070 and 1893 c 133 s 7 are each amended to read as follows:

At any time after the commencement of a special proceeding authorized by this chapter, and before the appointment of a receiver therein, or the extension of a receivership thereto, the judge by whom the order or warrant was granted or to whom it is made returnable, may in his or her discretion upon proof by affidavit to his or her satisfaction that a person or corporation is indebted to the judgment debtor, and upon such notice given to such person or corporation as he or she deems just, or without notice make an order permitting the person or corporation to pay the sheriff designated in the order a sum on account of the alleged indebtedness not exceeding the sum which will satisfy the execution. A payment thus made is to the extent thereof a discharge of the indebtedness except as against a transferee from the judgment debtor in good faith, and for a valuable consideration, of whose rights the person or corporation had actual or constructive notice when the payment was made.

Sec. 154. RCW 6.32.080 and 1893 c 133 s 8 are each amended to read as follows:

Where it appears from the examination or testimony taken in the special proceedings authorized by this chapter that the judgment debtor has in his or her possession or under his or her control money or other personal property belonging to him or her, or that one or more articles of personal property capable of manual delivery, his or her right to the possession whereof is not substantially disputed, are in the possession or under the control of another person, the judge by whom the order or warrant was granted, or to whom it is returnable, may in his or her discretion, and upon such notice given to such persons as he or she deems just, or without notice, make an order directing the judgment debtor, or other person, immediately to pay the money or deliver the articles of personal property to a sheriff designated in the order, unless a receiver has been appointed or a receivership has been extended to the special proceedings, and in that case to the receiver.

Sec. 155. RCW 6.32.090 and 1893 c 133 s 9 are each amended to read as follows:

If the sheriff to whom money is paid or other property is delivered, pursuant to an order made as prescribed in RCW 6.32.080, does not then hold an execution upon the judgment against the property of the judgment debtor, he or she has the same rights and power, and is subject to the same duties and liabilities with respect to the money or property, as if the money had been collected or the property had been levied upon by him or her by virtue of such an execution, except as provided in RCW 6.32.100.

Sec. 156. RCW 6.32.110 and 1893 c 133 s 11 are each amended to read as follows:

Where money is paid or property is delivered as prescribed in RCW 6.32.070, 6.32.080, 6.32.090, and 6.32.100 and afterwards the special proceeding is discontinued or dismissed, or the judgment is satisfied without resorting to the money or property, or a balance of the money or of the proceeds of the property, or a part of the property remains in the sheriff's or receiver's hands after satisfying the judgment and the costs and expenses of the special proceeding, the judge must make an order directing the sheriff or receiver to pay the money or deliver the property so remaining in his or her hands to the debtor, or to such other person as appears to be entitled thereto, upon payment of his or her fees and all other sums legally chargeable against the same.

Sec. 157. RCW 6.32.140 and 1893 c 133 s 14 are each amended to read as follows:

The sheriff, when he or she arrests a judgment debtor by virtue of a warrant issued as prescribed in this chapter, must deliver to him or her a copy of the warrant and of the affidavit upon which it was granted.

Sec. 158. RCW 6.32.160 and 1893 c 133 s 16 are each amended to read as follows:

The judge may make an order allowing to the judgment creditor a fixed sum as costs, consisting of his or her witness fees and referee's fees and other disbursements, and of a sum in addition thereto not exceeding twenty-five dollars, and directing the payment thereof out of any money which has come or may come to the hands of the receiver or of the sheriff within a time specified in the order.

Sec. 159. RCW 6.32.170 and 1923 c 160 s 2 are each amended to read as follows:

Where the judgment debtor or other person against whom the special proceeding is instituted has been examined, and property applicable to the payment of the judgment has not been discovered, the judge may make an order allowing him or her a sum, not to exceed twenty-five dollars, as costs, provided that any such sum so allowed the judgment debtor, shall be set off against the amount due the judgment creditor on his or her judgment.

Sec. 160. RCW 6.32.180 and 1893 c 133 s 18 are each amended to read as follows:

A person who refuses, or without sufficient excuse neglects, to obey an order of a judge or referee made pursuant to any of the provisions of this chapter, and duly served upon him or her, or an oral direction given directly to him or her by a judge or referee in the course of the special proceeding, or to attend before a judge or referee according to the command of a subpoena duly served upon him

or her, may be punished by the judge of the court out of which the execution issued, as for contempt.

Sec. 161. RCW 6.32.190 and 1893 c 133 s 19 are each amended to read as follows:

A judgment debtor who resides or does business in the state cannot be compelled to attend pursuant to an order made under the provisions of this chapter at a place without the county where his or her residence or place of business is situated. Where the judgment debtor to be examined under this chapter is a corporation the court may cause such corporation to appear and be examined by making like order or orders as are prescribed in this chapter, directed to any officer or officers thereof.

Sec. 162. RCW 6.32.200 and 1893 c 133 s 20 are each amended to read as follows:

A party or witness examined in a special proceeding authorized by this chapter is not excused from answering a question on the ground that his or her examination will tend to convict him or her of a commission of a fraud, or to prove that he or she has been a party to or privy to or knowing of a conveyance, assignment, transfer, or other disposition of property for any purpose; or that he, she, or another person claims to be entitled as against the judgment creditor or receiver appointed or to be appointed in the special proceeding to hold property derived from or through the judgment debtor, or to be discharged from the payment of a debt which was due to the judgment debtor or to a person in his or her behalf. But an answer cannot be used as evidence against the person so answering in a criminal action or criminal proceeding.

Sec. 163. RCW 6.36.160 and 1953 c 191 s 16 are each amended to read as follows:

The right of a judgment creditor to bring an action to enforce his or her judgment instead of proceeding under this chapter remains unimpaired.

Sec. 164. RCW 7.06.050 and 2002 c 339 s 1 are each amended to read as follows:

(1) Following a hearing as prescribed by court rule, the arbitrator shall file his or her decision and award with the clerk of the superior court, together with proof of service thereof on the parties. Within twenty days after such filing, any aggrieved party may file with the clerk a written notice of appeal and request for a trial de novo in the superior court on all issues of law and fact. Such trial de novo shall thereupon be held, including a right to jury, if demanded.

(a) Up to thirty days prior to the actual date of a trial de novo, a nonappealing party may serve upon the appealing party a written offer of compromise.

(b) In any case in which an offer of compromise is not accepted by the appealing party within ten calendar days after service thereof, for purposes of MAR 7.3, the amount of the offer of compromise shall replace the amount of the arbitrator's award for determining whether the party appealing the arbitrator's award has failed to improve that party's position on the trial de novo.

(c) A postarbitration offer of compromise shall not be filed or communicated to the court or the trier of fact until after judgment on the trial de novo, at which time a copy of the offer of compromise shall be filed for purposes

of determining whether the party who appealed the arbitrator's award has failed to improve that party's position on the trial de novo, pursuant to MAR 7.3.

(2) If no appeal has been filed at the expiration of twenty days following filing of the arbitrator's decision and award, a judgment shall be entered and may be presented to the court by any party, on notice, which judgment when entered shall have the same force and effect as judgments in civil actions.

Sec. 165. RCW 7.16.180 and 1895 c 65 s 18 are each amended to read as follows:

The writ may be either alternative or peremptory. The alternative writ must state generally the allegation against the party to whom it is directed, and command such party, immediately after the receipt of the writ, or at some other specified time, to do the act required to be performed, or to show cause before the court, at a specified time and place, why he or she has not done so. The peremptory writ must be in some similar form, except the words requiring the party to show cause why he or she has not done as commanded must be omitted and a return (~~(day)~~) day inserted.

Sec. 166. RCW 7.16.210 and 1895 c 65 s 21 are each amended to read as follows:

If an answer be made which raises a question as to a matter of fact essential to the determination of the motion, and affecting the substantial rights of the parties, and upon the supposed truth of the allegation of which the application for the writ is based, the court may, in its discretion, order the question to be tried before a jury, and postpone the argument until such trial can be had, and the verdict certified to the court. The question to be tried must be distinctly stated in the order for trial, and the county must be designated in which the same shall be had. The order may also direct the jury to assess any damages which the appellant may have sustained, in case they find for him or her.

Sec. 167. RCW 7.16.260 and 1895 c 65 s 26 are each amended to read as follows:

If judgment be given for the applicant he or she may recover the damages which he or she has sustained, as found by the jury or as may be determined by the court or referee, upon a reference to be ordered, together with costs; and for such damages and costs an execution may issue, and a peremptory mandate must also be awarded without delay.

Sec. 168. RCW 7.16.310 and 1895 c 65 s 31 are each amended to read as follows:

The writ must be either alternative or peremptory. The alternative writ must state generally the allegations against the party to whom it is directed, and command such party to desist or refrain from further proceedings in the action or matter specified therein until the further order of the court from which it is issued, and to show cause before such court, at a specified time and place, why such party should not be absolutely restrained from any further proceedings in such action or matter. The peremptory writ must be in a similar form, except that the words requiring the party to show cause why he or she should not be absolutely restrained, etc., must be omitted and a return day inserted.

Sec. 169. RCW 7.25.020 and 1999 c 284 s 3 are each amended to read as follows:

A complaint shall be prepared and filed in the superior court by such government entity setting forth such ordinance or resolution and that it is the purpose of the plaintiff to issue and sell bonds as stated therein and that it is desired that the right of the plaintiff to so issue such bonds and sell the same shall be tested and determined in said action. In said action all interested parties shall be deemed to be defendants. The title of the action shall be "In re (name of bond issue)." Upon the filing of the complaint the court shall, upon the application of the plaintiff, enter an order naming one or more interested parties upon whom service in said action shall be made as the representative of all interested parties, except such as may intervene as herein provided, and in such case the court shall fix and allow a reasonable (~~attorney's~~) attorneys' fee in said action to the attorney who shall represent the representative interested parties as aforesaid, and such fee and all taxable costs incurred by such representative interested parties shall be taxed as costs against the plaintiff: PROVIDED, That if the interested parties appointed by the court shall default, the court shall appoint an attorney who shall defend said action on behalf of all interested parties, and such attorney shall be allowed a reasonable fee and taxable costs to be taxed against the plaintiff: PROVIDED FURTHER, That after filing the complaint, the plaintiff shall twice place a notice in a newspaper of general circulation within the boundaries of the government entity, stating the title of the action, informing the interested parties that the action has been commenced testing the validity of the bonds, and stating that any interested parties, as that term is defined herein, may intervene in such action and be represented therein by his or her own attorney. Thereupon, any interested parties who desire to intervene must apply to the court to intervene within ten days after the second publication of the notice.

Sec. 170. RCW 7.28.010 and 1911 c 83 s 1 are each amended to read as follows:

Any person having a valid subsisting interest in real property, and a right to the possession thereof, may recover the same by action in the superior court of the proper county, to be brought against the tenant in possession; if there is no such tenant, then against the person claiming the title or some interest therein, and may have judgment in such action quieting or removing a cloud from plaintiff's title; an action to quiet title may be brought by the known heirs of any deceased person, or of any person presumed in law to be deceased, or by the successors in interest of such known heirs against the unknown heirs of such deceased person or against such person presumed to be deceased and his or her unknown heirs, and if it shall be made to appear in such action that the plaintiffs are heirs of the deceased person, or the person presumed in law to be deceased, or the successors in interest of such heirs, and have been in possession of the real property involved in such action for ten years preceding the time of the commencement of such action, and that during said time no person other than the plaintiff in the action or his or her grantors has claimed or asserted any right or title or interest in said property, the court may adjudge and decree the plaintiff or plaintiffs in such action to be the owners of such real property, free from all claims of any unknown heirs of such deceased person, or person presumed in law to be deceased; and an action to quiet title may be maintained by any person in the actual possession of real property against the unknown heirs of a person known to be dead, or against any person where it is not known whether such

person is dead or not, and against the unknown heirs of such person, and if it shall thereafter transpire that such person was at the time of commencing such action dead the judgment or decree in such action shall be as binding and conclusive on the heirs of such person as though they had been known and named; and in all actions, under this section, to quiet or remove a cloud from the title to real property, if the defendant be absent or a nonresident of this state, or cannot, after due diligence, be found within the state, or conceals himself or herself to avoid the service of summons, service may be made upon such defendant by publication of summons as provided by law; and the court may appoint a trustee for such absent or nonresident defendant, to make or cancel any deed or conveyance of whatsoever nature, or do any other act to carry into effect the judgment or the decree of the court.

Sec. 171. RCW 7.28.110 and Code 1881 s 537 are each amended to read as follows:

A defendant who is in actual possession may, for answer, plead that he or she is in possession only as a tenant of another, naming him or her and his or her place of residence, and thereupon the landlord, if he or she applies therefor, shall be made defendant in place of the tenant, and the action shall proceed in all respects as if originally commenced against him or her. If the landlord does not apply to be made defendant within the time the tenant is allowed to answer, thereafter he or she shall not be allowed to, but he or she shall be made defendant if the plaintiff require it. If the landlord be made defendant on motion of the plaintiff he or she shall be required to appear and answer within ten days from notice of the pendency of the action and the order making him or her defendant, or such further notice as the court or judge thereof may prescribe.

Sec. 172. RCW 7.28.120 and Code 1881 s 538 are each amended to read as follows:

The plaintiff in such action shall set forth in his or her complaint the nature of his or her estate, claim, or title to the property, and the defendant may set up a legal or equitable defense to plaintiff's claims; and the superior title, whether legal or equitable, shall prevail. The property shall be described with such certainty as to enable the possession thereof to be delivered if a recovery be had.

Sec. 173. RCW 7.28.130 and Code 1881 s 539 are each amended to read as follows:

The defendant shall not be allowed to give in evidence any estate in himself, herself, or another in the property, or any license or right to the possession thereof unless the same be pleaded in his or her answer. If so pleaded, the nature and duration of such estate, or license or right to the possession, shall be set forth with the certainty and particularity required in a complaint. If the defendant does not defend for the whole of the property, he or she shall specify for what particular part he or she does defend. In an action against a tenant, the judgment shall be conclusive against a landlord who has been made defendant in place of the tenant, to the same extent as if the action had been originally commenced against him or her.

Sec. 174. RCW 7.28.140 and Code 1881 s 540 are each amended to read as follows:

The jury by their verdict shall find as follows:

(1) If the verdict be for the plaintiff, that he or she is entitled to the possession of the property described in the complaint, or some part thereof, or some undivided share or interest in either, and the nature and duration of his or her estate in such property, part thereof, or undivided share or interest, in either, as the case may be.

(2) If the verdict be for the defendant, that the plaintiff is not entitled to the possession of the property described in the complaint, or to such part thereof as the defendant defends for, and the estate in such property or part thereof, or license, or right to the possession of either established on the trial by the defendant, if any, in effect as the same is required to be pleaded.

Sec. 175. RCW 7.28.150 and Code 1881 s 541 are each amended to read as follows:

The plaintiff shall only be entitled to recover damages for withholding the property for the term of six years next preceding the commencement of the action, and for any period that may elapse from such commencement, to the time of giving a verdict therein, exclusive of the use of permanent improvements made by the defendant. When permanent improvements have been made upon the property by the defendant, or those under whom he or she claims holding under color of title adversely to the claim of the plaintiff, in good faith, the value thereof at the time of trial shall be allowed as a setoff against such damages.

Sec. 176. RCW 7.28.160 and 1903 c 137 s 1 are each amended to read as follows:

In an action for the recovery of real property upon which permanent improvements have been made or general or special taxes or local assessments have been paid by a defendant, or those under whom he or she claims, holding in good faith under color or claim of title adversely to the claim of plaintiff, the value of such improvements and the amount of such taxes or assessments with interest thereon from date of payment must be allowed as a counterclaim to the defendant.

Sec. 177. RCW 7.28.180 and 1903 c 137 s 3 are each amended to read as follows:

If the judgment be in favor of the plaintiff for the recovery of the realty, and of the defendant upon the counterclaim, the plaintiff shall be entitled to recover such damages as he or she may be found to have suffered through the withholding of the premises and waste committed thereupon by the defendant or those under whom he or she claims, but against this recovery shall be offset pro tanto the value of the permanent improvements and the amount of said taxes and assessments with interest found as above provided. Should the value of improvements or taxes or assessments with interest exceed the recovery for damages, the plaintiff, shall, within two months, pay to the defendant the difference between the two sums and upon proof, after notice, to the defendant, that this has been done, the court shall make an order declaring that fact, and that title to the improvements is vested in him or her. Should the plaintiff fail to make such payment, the defendant may at any time within two months after the time limited for such payment to be made, pay to the plaintiff the value of the land apart from the improvements, and the amount of the damages awarded against him or her, and he or she thereupon shall be vested with title to the land, and, after notice to the plaintiff, the court shall make an order reciting the fact

and adjudging title to be in him or her. Should neither party make the payment above provided, within the specified time, they shall be deemed to be tenants in common of the premises, including the improvements, each holding an interest proportionate to the value of his or her property determined in the manner specified in RCW 7.28.170: PROVIDED, That the interest of the owner of the improvements shall be the difference between the value of the improvements and the amount of damages recovered against him or her by the plaintiff.

Sec. 178. RCW 7.28.210 and Code 1881 s 544 are each amended to read as follows:

The order shall describe the property, and a copy thereof shall be served upon the defendant, and thereupon the party may enter upon the property and make such survey and admeasurement; but if any unnecessary injury be done to the premises, he or she shall be liable therefor.

Sec. 179. RCW 7.28.230 and 1991 c 188 s 1 are each amended to read as follows:

(1) A mortgage of any interest in real property shall not be deemed a conveyance so as to enable the owner of the mortgage to recover possession of the real property, without a foreclosure and sale according to law: PROVIDED, That nothing in this section shall be construed as any limitation upon the right of the owner of real property to mortgage, pledge or assign the rents and profits thereof, nor as prohibiting the mortgagee, pledgee or assignee of such rents and profits, or any trustee under a mortgage or trust deed either contemporaneously or upon the happening of a future event of default, from entering into possession of any real property, other than farm lands or the homestead of the mortgagor or his or her successor in interest, for the purpose of collecting the rents and profits thereof for application in accordance with the provisions of the mortgage or trust deed or other instrument creating the lien, nor as any limitation upon the power of a court of equity to appoint a receiver to take charge of such real property and collect such rents and profits thereof for application in accordance with the terms of such mortgage, trust deed, or assignment.

(2) Until paid, the rents and profits of real property constitute real property for the purposes of mortgages, trust deeds, or assignments whether or not said rents and profits have accrued. The provisions of RCW 65.08.070 as now or hereafter amended shall be applicable to such rents and profits, and such rents and profits are excluded from Article 62A.9 RCW.

(3) The recording of an assignment, mortgage, or pledge of unpaid rents and profits of real property, intended as security, in accordance with RCW 65.08.070, shall immediately perfect the security interest in the assignee, mortgagee, or pledgee and shall not require any further action by the holder of the security interest to be perfected as to any subsequent purchaser, mortgagee, or assignee. Any lien created by such assignment, mortgage, or pledge shall, when recorded, be deemed specific, perfected, and choate even if recorded prior to July 23, 1989.

Sec. 180. RCW 7.28.240 and Code 1881 s 547 are each amended to read as follows:

In an action by a tenant in common, or a joint tenant of real property against his or her cotenant, the plaintiff must show, in addition to his or her evidence of

right, that the defendant either denied the plaintiff's right or did some act amounting to such denial.

Sec. 181. RCW 7.28.250 and Code 1881 s 548 are each amended to read as follows:

When in the case of a lease of real property and the failure of tenant to pay rent, the landlord has a subsisting right to reenter for such failure; he or she may bring an action to recover the possession of such property, and such action is equivalent to a demand of the rent and a reentry upon the property. But if at any time before the judgment in such action, the lessee or his or her successor in interest as to the whole or a part of the property, pay to the plaintiff, or bring into court the amount of rent then in arrear, with interest and cost of action, and perform the other covenants or agreements on the part of the lessee, he or she shall be entitled to continue in the possession according to the terms of the lease.

Sec. 182. RCW 7.28.260 and 1909 c 35 s 1 are each amended to read as follows:

In an action to recover possession of real property, the judgment rendered therein shall be conclusive as to the estate in such property and the right of possession thereof, so far as the same is thereby determined, upon all persons claiming by, through, or under the party against whom the judgment is rendered, by title or interest passing after the commencement of the action, if the party in whose favor the judgment is rendered shall have filed a notice of the pendency of the action as required by RCW 4.28.320. When service of the notice is made by publication, and judgment is given for failure to answer, at any time within two years from the entry thereof, the defendant or his or her successor in interest as to the whole or any part of the property, shall, upon application to the court or judge thereof, be entitled to an order, vacating the judgment and granting him or her a new trial, upon the payment of the costs of the action.

Sec. 183. RCW 7.28.270 and Code 1881 s 550 are each amended to read as follows:

If the plaintiff has taken possession of the property before the judgment is set aside and a new trial granted, as provided in RCW 7.28.260, such possession shall not be thereby affected in any way; and if judgment be given for defendant in the new trial, he or she shall be entitled to restitution by execution in the same manner as if he or she were plaintiff.

Sec. 184. RCW 7.28.280 and Code 1881 s 551 are each amended to read as follows:

In an action at law, for the recovery of the possession of real property, if either party claims the property as a donee of the United States, and under the act of congress approved September 27th, 1850, commonly called the "Donation law," or the acts amendatory thereof, such party, from the date of his or her settlement thereon, as provided in said act, shall be deemed to have a legal estate in fee, in such property, to continue upon condition that he or she perform the conditions required by such acts, which estate is unconditional and indefeasible after the performance of such conditions. In such action, if both plaintiff and defendant claim title to the same real property, by virtue of settlement, under such acts, such settlement and performance of the subsequent condition shall be prima facie presumed in favor of the party having or claiming under the elder certificate, or patent, as the case may be, unless it appears upon the face of such

certificate or patent that the same is absolutely void. Any person in possession, by himself or herself or his or her tenant, of real property, and any private or municipal corporation in possession by itself or its tenant of any real property, or when such real property is not in the actual possession of anyone, any person or private or municipal corporation claiming title to any real property under a patent from the United States, or during his, her, or its claim of title to such real property under a patent from the United States for such real estate, may maintain a civil action against any person or persons, corporations, or associations claiming an interest in said real property or any part thereof, or any right thereto adverse to him, her, them, or it, for the purpose of determining such claim, estate, or interest; and where several persons, or private or municipal corporations are in possession of, or claim as aforesaid, separate parcels of real property, and an adverse interest is claimed or claim made in or to any such parcels, by any other person, persons, corporations, or associations, arising out of a question, conveyance, statute, grant, or other matter common to all such parcels of real estate, all or any portion of such persons or corporations so in possession, or claiming such parcel of real property may unite as plaintiffs in such suit to determine such adverse claim or interest against all persons, corporations, or associations claiming such adverse interest.

Sec. 185. RCW 7.36.010 and Code 1881 s 666 are each amended to read as follows:

Every person restrained of his or her liberty under any pretense whatever, may prosecute a writ of habeas corpus to inquire into the cause of the restraint, and shall be delivered therefrom when illegal.

Sec. 186. RCW 7.36.030 and Code 1881 s 667 are each amended to read as follows:

Application for the writ shall be made by petition, signed and verified either by the plaintiff or by some person in his or her behalf, and shall specify:

- (1) By whom the petitioner is restrained of his or her liberty, and the place where, (naming the parties if they are known, or describing them if they are not known).
- (2) The cause or pretense of the restraint according to the best of the knowledge and belief of the applicant.
- (3) If the restraint be alleged to be illegal, in what the illegality consists.

Sec. 187. RCW 7.36.050 and Code 1881 s 669 are each amended to read as follows:

The writ shall be directed to the officer or party having the person under restraint, commanding him or her to have such person before the court or judge at such time and place as the court or judge shall direct to do and receive what shall be ordered concerning him or her, and have then and there the writ.

Sec. 188. RCW 7.36.060 and Code 1881 s 670 are each amended to read as follows:

If the writ be directed to the sheriff, it shall be delivered by the clerk to him or her without delay.

Sec. 189. RCW 7.36.070 and Code 1881 s 671 are each amended to read as follows:

If the writ be directed to any other person, it shall be delivered to the sheriff and shall be by him or her served by delivering the same to such person without delay.

Sec. 190. RCW 7.36.080 and Code 1881 s 672 are each amended to read as follows:

If the person to whom such writ is directed cannot be found or shall refuse admittance to the sheriff, the same may be served by leaving it at the residence of the person to whom it is directed, or by posting the same (~~(on in))~~ in some conspicuous place, either (~~(of on))~~ on his or her dwelling house or where the party is confined or under restraint.

Sec. 191. RCW 7.36.090 and Code 1881 s 673 are each amended to read as follows:

The sheriff or other person to whom the writ is directed shall make immediate return thereof, and if he or she refuse after due service to make return, the court shall enforce obedience by attachment.

Sec. 192. RCW 7.36.100 and Code 1881 s 674 are each amended to read as follows:

The return must be signed and verified by the person making it, who shall state:

- (1) The authority or cause of the restraint of the party in his or her custody.
- (2) If the authority shall be in writing, he or she shall return a copy and produce the original on the hearing.
- (3) If he or she has had the party in his or her custody or under his or her restraint, and has transferred him or her to another, he or she shall state to whom, the time, place, and cause of the transfer. He or she shall produce the party at the hearing unless prevented by sickness or infirmity, which must be shown in the return.

Sec. 193. RCW 7.36.190 and Code 1881 s 682 are each amended to read as follows:

Whenever it shall appear by affidavit that any one is illegally held in custody or restraint, and that there is good reason to believe that such person will be carried out of the jurisdiction of the court or judge before whom the application is made, or will suffer some irreparable injury before compliance with the writ can be enforced, such court or judge may cause a warrant to be issued reciting the facts, and directed to the sheriff or any constable of the county, commanding him or her to take the person thus held in custody or restraint, and forthwith bring him or her before the court or judge to be dealt with according to the law.

Sec. 194. RCW 7.40.020 and Code 1881 s 154 are each amended to read as follows:

When it appears by the complaint that the plaintiff is entitled to the relief demanded and the relief, or any part thereof, consists in restraining the commission or continuance of some act, the commission or continuance of which during the litigation would produce great injury to the plaintiff; or when during the litigation, it appears that the defendant is doing, or threatened, or is about to do, or is procuring, or is suffering some act to be done in violation of the plaintiff's rights respecting the subject of the action tending to render the judgment ineffectual; or where such relief, or any part thereof, consists in

restraining proceedings upon any final order or judgment, an injunction may be granted to restrain such act or proceedings until the further order of the court, which may afterwards be dissolved or modified upon motion. And where it appears in the complaint at the commencement of the action, or during the pendency thereof, by affidavit, that the defendant threatens, or is about to remove or dispose of his or her property with intent to defraud his or her creditors, a temporary injunction may be granted to restrain the removal or disposition of his or her property.

Sec. 195. RCW 7.40.090 and Code 1881 s 160 are each amended to read as follows:

When an injunction is granted upon the hearing, after a temporary restraining order, the plaintiff shall not be required to enter into a second bond, unless the former shall be deemed insufficient, but the plaintiff and his or her surety shall remain liable upon his or her original bond.

Sec. 196. RCW 7.40.100 and Code 1881 s 161 are each amended to read as follows:

It shall not be necessary to issue a writ of injunction, but the clerk shall issue a copy of the order of injunction duly certified by him or her, which shall be forthwith served by delivering the same to the adverse party.

Sec. 197. RCW 7.40.110 and Code 1881 s 162 are each amended to read as follows:

In application to stay proceedings after judgment, the plaintiff shall endorse upon his or her complaint a release of errors in the judgment whenever required to do so by the judge or court.

Sec. 198. RCW 7.40.120 and Code 1881 s 163 are each amended to read as follows:

An order of injunction shall bind every person and officer restrained from the time he or she is informed thereof.

Sec. 199. RCW 7.40.130 and Code 1881 s 164 are each amended to read as follows:

When notice of the application for an injunction has been served upon the adverse party, it shall not be necessary to serve the order upon him or her, but he or she shall be bound by the injunction as soon as the bond required of the plaintiff is executed and delivered to the proper officer.

Sec. 200. RCW 7.40.150 and 1957 c 9 s 12 are each amended to read as follows:

Whenever it shall appear to any court granting a restraining order or an order of injunction, or by affidavit, that any person has (~~wilfully~~) willfully disobeyed the order after notice thereof, such court shall award an attachment for contempt against the party charged, or an order to show cause why it should not issue. The attachment or order shall be issued by the clerk of the court, and directed to the sheriff, and shall be served by him or her.

Sec. 201. RCW 7.40.160 and Code 1881 s 167 are each amended to read as follows:

The attachment for contempt shall be immediately served, by arresting the party charged, and bringing him or her into court, if in session, to be dealt with

as in other cases of contempt; and the court shall also take all necessary measures to secure and indemnify the plaintiff against damages in the premises.

Sec. 202. RCW 7.40.170 and 1891 c 56 s 1 are each amended to read as follows:

If the court is not in session the officer making the arrest shall cause the person to enter into a bond, with surety, to be approved by the officer, conditioned that he or she personally appear in open court whenever his or her appearance shall be required, to answer such contempt, and that he or she will pay to the plaintiff all his or her damages and costs occasioned by the breach of the order; and in default thereof he or she shall be committed to the jail of the county until he or she shall enter into such bond with surety, or be otherwise legally discharged.

Sec. 203. RCW 7.42.020 and 1959 c 105 s 2 are each amended to read as follows:

The prosecuting attorney of every county of the state, in which a person, firm, or corporation sells or distributes or offers to sell or distribute or has in his or her possession with intent to sell or distribute any book, magazine, pamphlet, comic book, story paper, writing, paper, newspaper, phonograph record, magnetic tape, electric or mechanical transcription, picture, drawing, photograph, figure, image, or any written or printed matter of an indecent character, which is obscene, lewd, lascivious, filthy, or indecent, or which contains an article or instrument of indecent use or purports to be for indecent use or purpose, may maintain an action in the name of the state for an injunction against such person, firm, or corporation in the superior court to prevent the sale or further sale or the distribution or further distribution or the acquisition or possession of any book, magazine, pamphlet, comic book, story paper, writing, paper, newspaper, phonograph record, magnetic tape, electric or mechanical transcription, picture, drawing, photograph, figure, or image or any written or printed matter of indecent character, herein described.

Sec. 204. RCW 7.42.060 and 1959 c 105 s 6 are each amended to read as follows:

Every person, firm, or corporation who sells, distributes, or acquires possession with intent to sell or distribute any of the matter described in RCW 7.42.020, after the service upon him or her of a summons and complaint in an action brought by the prosecuting attorney pursuant to this chapter is chargeable with knowledge of the contents thereof.

Sec. 205. RCW 7.44.010 and Code 1881 s 636 are each amended to read as follows:

Actions may be commenced upon any agreement in writing before the time for the performance of the contract expires, when the plaintiff or his or her agent shall make and file an affidavit with the clerk of the proper court, that the defendant is about to leave the state without performing or making provisions for the performance of the contract, taking with him or her property, moneys, credits, or effects subject to execution, with intent to defraud plaintiff.

Sec. 206. RCW 7.44.020 and 1891 c 42 (p 81) s 1 are each amended to read as follows:

At the time of filing the affidavit the plaintiff shall also file his or her complaint in the action, and thenceforth the action shall proceed as other actions at law, except as otherwise provided in this chapter.

Sec. 207. RCW 7.44.021 and 1957 c 51 s 10 are each amended to read as follows:

Upon such affidavit and complaint being filed, the clerk shall issue an order of arrest and bail, directed to the sheriff, which shall be issued, served, and returned in all respects as such orders in other cases; before such order shall issue the plaintiff shall file in the office of the clerk a bond, with sufficient surety, to be approved by the clerk, conditioned that the plaintiff will pay the defendant such damages and costs as he or she shall wrongfully sustain by reason of the action, which surety shall justify as provided by law.

Sec. 208. RCW 7.44.030 and 1891 c 42 s 3 are each amended to read as follows:

The sheriff shall require the defendant to enter into a bond, with sufficient surety, personally to appear within the time allowed by law for answering the complaint, and to abide the order of the court; and in default thereof the defendant shall be committed to prison until discharged in due course of law; such special bail shall be liable for the principal, and shall have a right to arrest and deliver him or her up, as in other cases, and the defendant may give other bail.

Sec. 209. RCW 7.44.031 and Code 1881 s 639 are each amended to read as follows:

Instead of giving special bail, as above provided, the defendant shall be entitled to his or her discharge from custody if he or she will secure the performance of the contract to the satisfaction of the plaintiff.

Sec. 210. RCW 7.48.030 and Code 1881 s 607 are each amended to read as follows:

If the order be made, the clerk shall thereafter, at any time within six months, when requested by the plaintiff, issue such warrant directed to the sheriff, requiring him or her forthwith to abate the nuisance at the expense of the defendant, and return the warrant as soon thereafter as may be, with his or her proceedings indorsed thereon. The expenses of abating the nuisance may be levied by the sheriff on the property of the defendant, and in this respect the warrant is to be deemed an execution against property.

Sec. 211. RCW 7.48.040 and 1957 c 51 s 11 are each amended to read as follows:

At any time before the order is made or the warrant issues, the defendant may, on motion to the court or judge thereof, have an order to stay the issue of such warrant for such period as may be necessary, not exceeding six months, to allow the defendant to abate the nuisance himself or herself, upon his or her giving bond to the plaintiff in a sufficient amount with one or more sureties, to the satisfaction of the court or judge thereof, that he or she will abate it within the time and in the manner specified in such order. The sureties shall justify as provided by law. If the defendant fails to abate such nuisance within the time specified, the warrant for the abatement of the nuisance may issue as if the same had not been stayed.

Sec. 212. RCW 7.48.058 and 1979 c 1 s 5 are each amended to read as follows:

The attorney general, prosecuting attorney, city attorney, city prosecutor, or any citizen of the county may maintain an action of an equitable nature in the name of the state of Washington upon the relation of such attorney general, prosecuting attorney, city attorney, city prosecutor, or citizen, to abate a moral nuisance, to perpetually enjoin all persons from maintaining the same, and to enjoin the use of any structure or thing adjudged to be a moral nuisance.

If such action is instituted by a private person, the complainant shall execute a bond to the person against whom complaint is made, with good and sufficient surety to be approved by the court or clerk thereof, in the sum of not less than five hundred dollars, to secure to the party enjoined the damages he or she may sustain if such action is wrongfully brought, and the court finds there was no reasonable grounds or cause for said action and the case is dismissed for that reason before trial or for want of prosecution. No bond shall be required of the attorney general, prosecuting attorney, city attorney, or city prosecutor, and no action shall be maintained against such public official for his or her official action when brought in good faith.

Sec. 213. RCW 7.48.076 and 1979 c 1 s 14 are each amended to read as follows:

If the action is brought by a person who is a citizen of the county, and the court finds that there were no reasonable grounds or probable cause for bringing said action, and the case is dismissed before trial for that reason or for want of prosecution, the costs, including ~~((attorney's))~~ attorneys' fees, may be taxed to such person.

If the existence of the nuisance is established upon the trial, a judgment shall be entered which shall perpetually enjoin the defendant and any other person from further maintaining the nuisance at the place complained of, and the defendant from maintaining such nuisance elsewhere. The entire expenses of such abatement, including ~~((attorney's))~~ attorneys' fees, shall be recoverable by the plaintiff as a part of his or her costs of the lawsuit.

If the complaint is filed by a person who is a citizen of the county, it shall not be dismissed except upon a sworn statement by the complainant and his or her attorney, setting forth the reason why the action should be dismissed and the dismissal approved by the prosecuting attorney in writing or in open court. If the judge is of the opinion that the action should not be dismissed, he or she may direct the prosecuting attorney to prosecute said action to judgment at the expense of the county, and if the action is continued for more than one term of court, any person who is a citizen of the county or has an office therein, or the attorney general, the prosecuting attorney, city attorney, or city prosecutor, may be substituted for the complainant and prosecute said action to judgment.

Sec. 214. RCW 7.48.078 and 1979 c 1 s 15 are each amended to read as follows:

If the existence of a nuisance is admitted or established in an action as provided for in RCW 7.48.058 or in a criminal proceeding, an order of abatement shall be entered as a part of the judgment in the case, which order shall direct the removal from the place of all personal property and contents used in conducting the nuisance and not already released under authority of the court

as provided for in RCW 7.48.066 and 7.48.068, and shall direct the sale of such thereof as belong to the defendants notified or appearing, in the manner provided for the sale of chattels under execution. Lewd matter shall be destroyed and shall not be sold.

Such judgment shall impose a penalty of three hundred dollars for the maintenance of such nuisance, which penalty shall be imposed against the person or persons found to have maintained the nuisance, and, in case any owner or agent of the building found to have had actual or constructive notice of the maintenance of such nuisance, against such owner or agent, and against the building kept or used for the purposes of maintaining a moral nuisance, which penalty shall be collected by execution as in civil actions, and when collected, shall be paid into the current expense fund of the county in which the judgment is had.

Such order shall also require the renewal for one year of any bond furnished by the owner of the real property, as provided in RCW 7.48.068 or, if not so furnished, shall continue for one year any closing order issued at the time of granting the temporary injunction, or, if no such closing order was then issued, shall include an order directing the effectual closing of the place against its use for any purpose and keeping it closed for a period of one year unless sooner released.

The owner of any place closed and not released under bond may then appear and obtain such release in the manner and upon fulfilling the requirements provided in RCW 7.48.068.

Owners of unsold personal property and contents so seized must appear and claim the same within ten days after such order of abatement is made, and prove innocence to the satisfaction of the court of any knowledge of such use thereof, and that with reasonable care and diligence they could not have known thereof. If such innocence is established, such unsold personal property and contents shall be delivered to the owner, otherwise it shall be sold as provided in this section. For removing and selling the personal property and contents, the officer shall be entitled to charge and receive the same fees as he or she would for levying upon and selling like property on execution; and for closing the place and keeping it closed, a reasonable sum shall be allowed by the court.

Sec. 215. RCW 7.48.085 and 1979 c 1 s 17 are each amended to read as follows:

If a tenant or occupant of a building or tenement, under a lawful title, uses such place for the purposes of maintaining a moral nuisance, such use makes void at the option of the owner the lease or other title under which he or she holds, and without any act of the owner causes the right of possession to revert and vest in such owner, who may without process of law make immediate entry upon the premises.

Sec. 216. RCW 7.48.100 and 1979 c 1 s 19 are each amended to read as follows:

The provisions of any criminal statutes with respect to the exhibition of, or the possession with the intent to exhibit, any obscene film shall not apply to a motion picture projectionist, usher, or ticket taker acting within the scope of his or her employment, if such projectionist, usher, or ticket taker (1) has no financial interest in the place wherein he or she is so employed, other than his or

her salary, and (2) freely and willingly gives testimony regarding such employment in any judicial proceedings brought under RCW 7.48.050 through 7.48.100 as now or hereafter amended, including pretrial discovery proceedings incident thereto, when and if such is requested, and upon being granted immunity by the trial judge sitting in such matters.

Sec. 217. RCW 7.48.110 and 1927 c 94 s 3 are each amended to read as follows:

If the owner of the building in which a nuisance is found to be maintained, appears and pays all costs of the proceeding, and files a bond with sureties to be approved by the clerk in the full value of the property to be ascertained by the court, conditioned that he or she will immediately abate said nuisance and prevent the same from being established or kept therein within a period of one year thereafter, the court or judge may, if satisfied of his or her good faith, order the premises, closed under the order of abatement, to be delivered to said owner, and said order closing the building canceled. The release of the property under the provisions of this section shall not release it from any judgment, lien, penalty, or liability to which it may be subject by law.

Sec. 218. RCW 7.48.210 and Code 1881 s 1243 are each amended to read as follows:

A private person may maintain a civil action for a public nuisance, if it is specially injurious to himself or herself but not otherwise.

Sec. 219. RCW 7.48.230 and Code 1881 s 1245 are each amended to read as follows:

Any person may abate a public nuisance which is specially injurious to him or her by removing, or if necessary, destroying the thing which constitutes the same, without committing a breach of the peace, or doing unnecessary injury.

Sec. 220. RCW 7.48.270 and 1957 c 45 s 3 are each amended to read as follows:

Instead of issuing such warrant, the court may order the same to be stayed upon motion of the defendant, and upon his or her entering into a bond in such sum and with such surety as the court may direct to the state, conditioned either that the defendant will discontinue said nuisance, or that within a time limited by the court, and not exceeding six months, he or she will cause the same to be abated and removed, as either is directed by the court, and upon his or her default to perform the condition of his or her bond, the same shall be forfeited, and the court, upon being satisfied of such default, may order such warrant forthwith to issue, and an order to show cause why judgment should not be entered against the sureties of said bond.

Sec. 221. RCW 7.52.030 and Code 1881 s 554 are each amended to read as follows:

The plaintiff may, at his or her option, make creditors having a lien upon the property or any portion thereof, other than by a judgment or decree, defendants in the suit. When the lien is upon an undivided interest or estate of any of the parties, such lien, if a partition be made, is thenceforth a lien only on the share assigned to such party; but such share shall be first charged with its just proportion of the costs of the partition, in preference to such lien.

Sec. 222. RCW 7.52.060 and Code 1881 s 557 are each amended to read as follows:

The defendant shall set forth in his or her answer, the nature, and extent of his or her interest in the property, and if he or she be a lien creditor, how such lien was created, the amount of the debt secured thereby and remaining due, and whether such debt is secured in any other way, and if so, the nature of such other security.

Sec. 223. RCW 7.52.120 and Code 1881 s 563 are each amended to read as follows:

The expenses of the referees, including those of a surveyor and his or her assistants, when employed, shall be ascertained and allowed by the court, and the amount thereof, together with the fees allowed by law to the referees, shall be paid by the plaintiff and may be allowed as costs.

Sec. 224. RCW 7.52.160 and 1957 c 51 s 13 are each amended to read as follows:

If an order of sale be made before the distribution of the proceeds thereof, the plaintiff shall produce to the court the certificate of the clerk of the county where the property is situated, showing the liens remaining unsatisfied, if any, by judgment or decree upon the property or any portion thereof, and unless he or she do so the court shall order a referee to ascertain them.

Sec. 225. RCW 7.52.180 and Code 1881 s 569 are each amended to read as follows:

The plaintiff must cause a notice to be served at least twenty days before the time for appearance on each person having such lien by judgment or decree, to appear before the referee at a specified time and place to make proof by his or her own affidavit or otherwise, of the true amount due or to become due, contingently or absolutely on his or her judgment or decree.

Sec. 226. RCW 7.52.190 and Code 1881 s 570 are each amended to read as follows:

The referee shall receive the evidence and report the names of the creditors whose liens are established, the amounts due thereon, or secured thereby, and their priority respectively, and whether contingent or absolute. He or she shall attach to his or her report the proof of service of the notices and the evidence before him or her.

Sec. 227. RCW 7.52.200 and Code 1881 s 571 are each amended to read as follows:

The report of the referee may be excepted to by either party to the suit, or to the proceedings before the referee, in like manner and with like effect as in ordinary cases. If a lien creditor be absent from the state, or his or her residence therein be unknown, and that fact appear by affidavit, the court or judge thereof may by order direct that service of the notice may be made upon his or her agent or attorney of record, or by publication thereof, for such time and in such manner as the order may prescribe.

Sec. 228. RCW 7.52.290 and Code 1881 s 580 are each amended to read as follows:

The referees may take separate mortgages, and other securities for the whole, or convenient portions of the purchase money, of such parts of the

property as are directed by the court to be sold on credit, in the name of the clerk of the court, and his or her successors in office; and for the shares of any known owner of full age, in the name of such owner.

Sec. 229. RCW 7.52.390 and Code 1881 s 590 are each amended to read as follows:

When a party entitled to a share of the property, or an encumbrancer entitled to have his or her lien paid out of the sale, becomes a purchaser, the referees may take his or her receipt for so much of the proceeds of the sale as belong to him or her.

Sec. 230. RCW 7.52.410 and Code 1881 s 592 are each amended to read as follows:

When the security for the proceeds of sale is taken, or when an investment of any such proceeds is made, it shall be done, except as herein otherwise provided, in the name of the clerk of the court and his or her successors in office, who shall hold the same for the use and benefit of the parties interested, subject to the order of the court.

Sec. 231. RCW 7.52.430 and Code 1881 s 594 are each amended to read as follows:

The clerk in whose name a security is taken, or by whom an investment is made, and his or her successors in office, shall receive the interest and principal as it becomes due, and apply and invest the same as the court may direct, and shall file in his or her office all securities taken and keep an account in a book provided and kept for that purpose in the clerk's office, free for inspection by all persons, of investments and moneys received by him or her thereon, and the disposition thereof.

Sec. 232. RCW 7.52.440 and Code 1881 s 595 are each amended to read as follows:

When it appears that partition cannot be made equal between the parties according to their respective rights, without prejudice to the rights and interests of some of them, the court may adjudge compensation to be made by one party to another on account of the inequality of partition; but such compensation shall not be required to be made to others by owners unknown, nor by infants, unless in case of an infant it appear that he or she has personal property sufficient for that purpose, and that his or her interest will be promoted thereby.

Sec. 233. RCW 7.52.450 and Code 1881 s 596 are each amended to read as follows:

When the share of an infant is sold, the proceeds of the sale may be paid by the referees making the sale, to his or her general guardian, or the special guardian appointed for him or her in the suit, upon giving the security required by law, or directed by order of the court.

Sec. 234. RCW 7.52.460 and 1977 ex.s. c 80 s 9 are each amended to read as follows:

The guardian or limited guardian who may be entitled to the custody and management of the estate of an incompetent or disabled person adjudged incapable of conducting his or her own affairs, whose interest in real property shall have been sold, may receive in behalf of such person his or her share of the proceeds of such real property from the referees, on executing a bond with

sufficient sureties, approved by the judge of the court, conditioned that he or she faithfully discharge the trust reposed in him or her, and will render a true and just account to the person entitled, or to his or her legal representative.

Sec. 235. RCW 7.52.470 and 1977 ex.s. c 80 s 10 are each amended to read as follows:

The general guardian of an infant, and the guardian or limited guardian entitled to the custody and management of the estate of an incompetent or disabled person adjudged incapable of conducting his or her own affairs, who is interested in real estate held in common or in any other manner, so as to authorize his or her being made a party to an action for the partition thereof, may consent to a partition without suit and agree upon the share to be set off to such infant or other person entitled, and may execute a release in his or her behalf to the owners of the shares or parts to which they may respectively be entitled, and upon an order of the court.

Sec. 236. RCW 7.56.010 and Code 1881 s 702 are each amended to read as follows:

An information may be filed against any person or corporation in the following cases:

(1) When any person shall usurp, intrude upon, or unlawfully hold or exercise any public office or franchise within the state, or any office in any corporation created by the authority of the state.

(2) When any public officer shall have done or suffered any act, which, by the provisions of law, shall work a forfeiture of his or her office.

(3) When several persons claim to be entitled to the same office or franchise, one information may be filed against any or all such persons in order to try their respective rights to the office or franchise.

(4) When any association or number of persons shall act within this state as a corporation, without being legally incorporated.

(5) Or where any corporation do, or omit acts which amount to a surrender or a forfeiture of their rights and privileges as a corporation, or where they exercise powers not conferred by law.

Sec. 237. RCW 7.56.020 and Code 1881 s 703 are each amended to read as follows:

The information may be filed by the prosecuting attorney in the superior court of the proper county, upon his or her own relation, whenever he or she shall deem it his or her duty to do so, or shall be directed by the court or other competent authority, or by any other person on his or her own relation, whenever he or she claims an interest in the office, franchise, or corporation which is the subject of the information.

Sec. 238. RCW 7.56.040 and Code 1881 s 705 are each amended to read as follows:

Whenever an information shall be filed against a person for usurping an office, by the prosecuting attorney, he or she shall also set forth therein the name of the person rightfully entitled to the office, with an averment of his or her right thereto; and when filed by any other person he or she shall show his or her interest in the matter, and he or she may claim the damages he or she has sustained.

Sec. 239. RCW 7.56.060 and Code 1881 s 707 are each amended to read as follows:

In every case wherein the right to an office is contested, judgment shall be rendered upon the rights of the parties, and for the damages the relator may show himself or herself entitled to, if any, at the time of the judgment.

Sec. 240. RCW 7.56.070 and Code 1881 s 708 are each amended to read as follows:

If judgment be rendered in favor of the relator, he or she shall proceed to exercise the functions of the office, after he or she has been qualified as required by law, and the court shall order the defendant to deliver over all books and papers in his or her custody or within his or her power, belonging to the office from which he or she has been ousted.

Sec. 241. RCW 7.56.090 and Code 1881 s 710 are each amended to read as follows:

When judgment is rendered in favor of the plaintiff, he or she may, if he or she has not claimed his or her damages in the information, have his or her action for the damages at any time within one year after the judgment.

Sec. 242. RCW 7.56.100 and Code 1881 s 711 are each amended to read as follows:

Whenever any defendant shall be found guilty of any usurpation of or intrusion into, or unlawfully exercising any office or franchise within this state, or any office in any corporation created by the authority of this state, or when any public officer thus charged shall be found guilty of having done or suffered any act which by the provisions of the law shall work a forfeiture of his or her office, or when any association or number of persons shall be found guilty of having acted as a corporation without having been legally incorporated, the court shall give judgment of ouster against the defendant or defendants, and exclude him, her, or them from the office, franchise, or corporate rights, and in case of corporations that the same shall be dissolved, and the court shall adjudge costs in favor of the plaintiff.

Sec. 243. RCW 7.56.130 and Code 1881 s 714 are each amended to read as follows:

When an information is filed by the prosecuting attorney, he or she shall not be liable for the costs, but when it is filed upon the relation of a private person such person shall be liable for costs unless the same are adjudged against the defendant.

Sec. 244. RCW 7.56.140 and Code 1881 s 715 are each amended to read as follows:

An information may be prosecuted for the purpose of annulling or vacating any letters patent, certificate, or deed, granted by the proper authorities of this state, when there is reason to believe that the same were obtained by fraud or through mistake or ignorance of a material fact, or when the patentee or those claiming under him or her have done or omitted an act in violation of the terms on which the letters, deeds or certificates were granted, or have by any other means forfeited the interests acquired under the same.

Sec. 245. RCW 7.56.150 and Code 1881 s 716 are each amended to read as follows:

In such cases, the information may be filed by the prosecuting attorney upon his or her relation, or by any private person upon his or her relation showing his or her interest in the subject matter; and the subsequent proceedings, judgment of the court and awarding of costs, shall conform to the above provisions, and such letters patent, deed, or certificate shall be annulled or sustained, according to the right of the case.

Sec. 246. RCW 7.68.035 and 2009 c 479 s 8 are each amended to read as follows:

(1)(a) When any person is found guilty in any superior court of having committed a crime, except as provided in subsection (2) of this section, there shall be imposed by the court upon such convicted person a penalty assessment. The assessment shall be in addition to any other penalty or fine imposed by law and shall be five hundred dollars for each case or cause of action that includes one or more convictions of a felony or gross misdemeanor and two hundred fifty dollars for any case or cause of action that includes convictions of only one or more misdemeanors.

(b) When any juvenile is adjudicated of any offense in any juvenile offense disposition under Title 13 RCW, except as provided in subsection (2) of this section, there shall be imposed upon the juvenile offender a penalty assessment. The assessment shall be in addition to any other penalty or fine imposed by law and shall be one hundred dollars for each case or cause of action that includes one or more adjudications for a felony or gross misdemeanor and seventy-five dollars for each case or cause of action that includes adjudications of only one or more misdemeanors.

(2) The assessment imposed by subsection (1) of this section shall not apply to motor vehicle crimes defined in Title 46 RCW except those defined in the following sections: RCW 46.61.520, 46.61.522, 46.61.024, 46.52.090, 46.70.140, 46.61.502, 46.61.504, 46.52.101, 46.20.410, 46.52.020, (~~46.10.130, 46.09.130,~~) 46.10.495, 46.09.480, 46.61.5249, 46.61.525, 46.61.685, 46.61.530, 46.61.500, 46.61.015, 46.52.010, 46.44.180, (~~46.10.090(2)~~) 46.10.490(2), and (~~46.09.120(2)~~) 46.09.470(2).

(3) When any person accused of having committed a crime posts bail in superior court pursuant to the provisions of chapter 10.19 RCW and such bail is forfeited, there shall be deducted from the proceeds of such forfeited bail a penalty assessment, in addition to any other penalty or fine imposed by law, equal to the assessment which would be applicable under subsection (1) of this section if the person had been convicted of the crime.

(4) Such penalty assessments shall be paid by the clerk of the superior court to the county treasurer who shall monthly transmit the money as provided in RCW 10.82.070. Each county shall deposit fifty percent of the money it receives per case or cause of action under subsection (1) of this section and retains under RCW 10.82.070, not less than one and seventy-five one-hundredths percent of the remaining money it retains under RCW 10.82.070 and the money it retains under chapter 3.62 RCW, and all money it receives under subsection (7) of this section into a fund maintained exclusively for the support of comprehensive programs to encourage and facilitate testimony by the victims of crimes and witnesses to crimes. A program shall be considered "comprehensive" only after approval of the department upon application by the

county prosecuting attorney. The department shall approve as comprehensive only programs which:

(a) Provide comprehensive services to victims and witnesses of all types of crime with particular emphasis on serious crimes against persons and property. It is the intent of the legislature to make funds available only to programs which do not restrict services to victims or witnesses of a particular type or types of crime and that such funds supplement, not supplant, existing local funding levels;

(b) Are administered by the county prosecuting attorney either directly through the prosecuting attorney's office or by contract between the county and agencies providing services to victims of crime;

(c) Make a reasonable effort to inform the known victim or his or her surviving dependents of the existence of this chapter and the procedure for making application for benefits;

(d) Assist victims in the restitution and adjudication process; and

(e) Assist victims of violent crimes in the preparation and presentation of their claims to the department of labor and industries under this chapter.

Before a program in any county west of the Cascade mountains is submitted to the department for approval, it shall be submitted for review and comment to each city within the county with a population of more than one hundred fifty thousand. The department will consider if the county's proposed comprehensive plan meets the needs of crime victims in cases adjudicated in municipal, district or superior courts and of crime victims located within the city and county.

(5) Upon submission to the department of a letter of intent to adopt a comprehensive program, the prosecuting attorney shall retain the money deposited by the county under subsection (4) of this section until such time as the county prosecuting attorney has obtained approval of a program from the department. Approval of the comprehensive plan by the department must be obtained within one year of the date of the letter of intent to adopt a comprehensive program. The county prosecuting attorney shall not make any expenditures from the money deposited under subsection (4) of this section until approval of a comprehensive plan by the department. If a county prosecuting attorney has failed to obtain approval of a program from the department under subsection (4) of this section or failed to obtain approval of a comprehensive program within one year after submission of a letter of intent under this section, the county treasurer shall monthly transmit one hundred percent of the money deposited by the county under subsection (4) of this section to the state treasurer for deposit in the state general fund.

(6) County prosecuting attorneys are responsible to make every reasonable effort to insure that the penalty assessments of this chapter are imposed and collected.

(7) Every city and town shall transmit monthly one and seventy-five one-hundredths percent of all money, other than money received for parking infractions, retained under RCW 3.50.100 and 35.20.220 to the county treasurer for deposit as provided in subsection (4) of this section.

Sec. 247. RCW 7.68.050 and 1998 c 91 s 1 are each amended to read as follows:

(1) No right of action at law for damages incurred as a consequence of a criminal act shall be lost as a consequence of being entitled to benefits under the

provisions of this chapter. The victim or his or her beneficiary may elect to seek damages from the person or persons liable for the claimed injury or death, and such victim or beneficiary is entitled to the full compensation and benefits provided by this chapter regardless of any election or recovery made pursuant to this section.

(2) For the purposes of this section, the rights, privileges, responsibilities, duties, limitations, and procedures contained in RCW 51.24.050 through 51.24.110 apply.

(3) If the recovery involved is against the state, the lien of the department includes the interest on the benefits paid by the department to or on behalf of such person under this chapter computed at the rate of eight percent per annum from the date of payment.

(4) The 1980 amendments to this section apply only to injuries which occur on or after April 1, 1980.

Sec. 248. RCW 7.68.200 and 1979 ex.s. c 219 s 13 are each amended to read as follows:

After hearing, as provided in RCW 7.68.210, every person, firm, corporation, partnership, association, or other legal entity contracting with any person or the representative or assignee of any person, accused or convicted of a crime in this state, with respect to the reenactment of such crime, by way of a movie, book, magazine article, tape recording, phonograph record, radio or television presentation, live entertainment of any kind, or from the expression of such accused or convicted person's thoughts, feelings, opinion, or emotions regarding such crime, shall submit a copy of such contract to the department and pay over to the department any moneys which would otherwise, by terms of such contract, be owing to the person so accused or convicted or his or her representatives. The department shall deposit such moneys in an escrow account for the benefit of and payable to any victim or the legal representative of any victim of crimes committed by: ~~((+))~~ (1) Such convicted person; or ~~((+))~~ (2) such accused person, but only if such accused person is eventually convicted of the crime and provided that such victim, within five years of the date of the establishment of such escrow account, brings a civil action in a court of competent jurisdiction and recovers a money judgment for damages against such person or his or her representatives.

Sec. 249. RCW 7.68.240 and 1988 c 155 s 4 are each amended to read as follows:

Upon a showing by any convicted person or the state that five years have elapsed from the establishment of such escrow account and further that no actions are pending against such convicted person pursuant to RCW 7.68.200 through 7.68.280, the department shall immediately pay over fifty percent of any moneys in the escrow account to such person or his or her legal representatives and fifty percent of any moneys in the escrow account to the fund under RCW 7.68.035(4).

Sec. 250. RCW 7.70.030 and 1975-'76 2nd ex.s. c 56 s 8 are each amended to read as follows:

No award shall be made in any action or arbitration for damages for injury occurring as the result of health care which is provided after June 25, 1976, unless the plaintiff establishes one or more of the following propositions:

(1) That injury resulted from the failure of a health care provider to follow the accepted standard of care;

(2) That a health care provider promised the patient or his or her representative that the injury suffered would not occur;

(3) That injury resulted from health care to which the patient or his or her representative did not consent.

Unless otherwise provided in this chapter, the plaintiff shall have the burden of proving each fact essential to an award by a preponderance of the evidence.

Sec. 251. RCW 7.70.040 and 1983 c 149 s 2 are each amended to read as follows:

The following shall be necessary elements of proof that injury resulted from the failure of the health care provider to follow the accepted standard of care:

(1) The health care provider failed to exercise that degree of care, skill, and learning expected of a reasonably prudent health care provider at that time in the profession or class to which he or she belongs, in the state of Washington, acting in the same or similar circumstances;

(2) Such failure was a proximate cause of the injury complained of.

Sec. 252. RCW 7.70.050 and 1975-'76 2nd ex.s. c 56 s 10 are each amended to read as follows:

(1) The following shall be necessary elements of proof that injury resulted from health care in a civil negligence case or arbitration involving the issue of the alleged breach of the duty to secure an informed consent by a patient or his or her representatives against a health care provider:

(a) That the health care provider failed to inform the patient of a material fact or facts relating to the treatment;

(b) That the patient consented to the treatment without being aware of or fully informed of such material fact or facts;

(c) That a reasonably prudent patient under similar circumstances would not have consented to the treatment if informed of such material fact or facts;

(d) That the treatment in question proximately caused injury to the patient.

(2) Under the provisions of this section a fact is defined as or considered to be a material fact, if a reasonably prudent person in the position of the patient or his or her representative would attach significance to it deciding whether or not to submit to the proposed treatment.

(3) Material facts under the provisions of this section which must be established by expert testimony shall be either:

(a) The nature and character of the treatment proposed and administered;

(b) The anticipated results of the treatment proposed and administered;

(c) The recognized possible alternative forms of treatment; or

(d) The recognized serious possible risks, complications, and anticipated benefits involved in the treatment administered and in the recognized possible alternative forms of treatment, including nontreatment.

(4) If a recognized health care emergency exists and the patient is not legally competent to give an informed consent and/or a person legally authorized to consent on behalf of the patient is not readily available, his or her consent to required treatment will be implied.

Sec. 253. RCW 8.04.090 and 1979 c 151 s 7 are each amended to read as follows:

In case the state shall require immediate possession and use of the property sought to be condemned, and an order of necessity shall have been granted, and no review has been taken therefrom, the attorney general may stipulate with respondents in accordance with the provisions of this section and RCW 8.04.092 and 8.04.094 for an order of immediate possession and use, and file with the clerk of the court wherein the action is pending, a certificate of the state's requirement of immediate possession and use of the land, which shall state the amount of money offered to the respondents and shall further state that such offer constitutes a continuing tender of such amount. The attorney general shall file a copy of the certificate with the office of financial management, which forthwith shall issue and deliver to him or her a warrant payable to the order of the clerk of the court wherein the action is pending in a sum sufficient to pay the amount offered, which shall forthwith be paid into the registry of the court. The court without further notice to respondent shall enter an order granting to the state the immediate possession and use of the property described in the order of necessity, which order shall bind the petitioner to pay the full amount of any final judgment of compensation and damages which may thereafter be awarded for the taking and appropriation of the lands, real estate, premises, or other property described in the petition and for the injury, if any, to the remainder of the lands, real estate, premises, or other property from which they are to be taken by reason of such taking and appropriation, after offsetting against any and all such compensation and damages the special benefits, if any, accruing to such remainder by reason of the appropriation and use by the state of the lands, real estate, premises, or other property described in the petition. The moneys paid into court may at any time after entry of the order of immediate possession, be withdrawn by respondents, by order of the court, as their interests shall appear.

Sec. 254. RCW 8.04.094 and 1951 c 177 s 3 are each amended to read as follows:

If any respondent shall elect to demand a trial for the purpose of assessing just compensation and damages arising from the taking, he or she shall so move within sixty days from the date of entry of the order of immediate possession and use, and the issues shall be brought to trial within one year from the date of such order unless good and sufficient proof shall be offered and it shall appear therefrom to the court that the hearing could not have been held within said year. In the event that no such demand be timely made or having been timely made, shall not be brought to trial within the limiting period, the court, upon application of the state, shall enter a decree of appropriation for the amount paid into court under the provisions of RCW 8.04.090, as the total sum to which respondents are entitled, and such decree shall be final and nonappealable.

Sec. 255. RCW 8.04.140 and 1891 c 74 s 8 are each amended to read as follows:

Any person, corporation, or county claiming to be entitled to any money paid into court, as provided in RCW 8.04.010 through 8.04.160, may apply to the court therefor, and upon furnishing evidence satisfactory to the court that he or she or it is entitled to the same, the court shall make an order directing the payment to such claimant the portion of such money as he or she or it shall be found entitled to; but if, upon application, the court or judge thereof should decide that the title to the land, real estate, or premises specified in the

application of such claimant was in such condition as to require that an action be commenced to determine the conflicting claims thereto, he or she shall refuse such order until such action is commenced and the conflicting claims to such land, real estate, or premises be determined according to law.

Sec. 256. RCW 8.04.150 and 1988 c 202 s 8 are each amended to read as follows:

Either party may seek appellate review of the judgment for damages entered in the superior court within thirty days after the entry of judgment as aforesaid, and such review shall bring before the supreme court or the court of appeals the propriety and justness of the amount of damages in respect to the parties to the review: PROVIDED HOWEVER, That upon such review no bond shall be required: AND PROVIDED FURTHER, That if the owner of land, the real estate or premises accepts the sum awarded by the jury, the court or the judge thereof, he or she shall be deemed thereby to have waived conclusively appellate review, and final judgment by default may be rendered in the superior court as in other cases: PROVIDED FURTHER, That no review shall operate so as to prevent the said state of Washington from taking possession of such property pending review after the amount of said award shall have been paid into court.

Sec. 257. RCW 8.04.170 and 1917 c 153 s 1 are each amended to read as follows:

Whenever the governor, as commander-in-chief of the military of this state, shall deem it necessary to acquire any lands, real estate, premises, or other property for any military purpose or purposes of this state, either to add to, enlarge, increase, or otherwise improve state military facilities now or hereafter existing or to establish new facilities, the acquisition of which shall have been provided for by the state, by a county or by a city, or by either, all or any thereof, upon certificate by the governor of such necessity, proceedings for the condemnation, appropriation, and taking of the lands, real estate, premises, or other property so certified to be necessary shall be taken as follows:

Where the state is to pay the purchase price it shall be the duty of the attorney general, upon receipt by him or her of said certificate of the governor, to file a petition in the superior court for the county in which such lands, real estate, premises, or other property may be situate praying such condemnation, appropriating, and taking, which petition shall be prosecuted to a final determination in the manner by law provided for other condemnation suits brought by or on behalf of the state;

Where a county is to pay the purchase price it shall be the duty of the prosecuting attorney of said county upon receipt by him or her of said certificate of the governor, to file a petition in the superior court for said county praying such condemnation, appropriation, and taking, which petition shall be prosecuted to a final determination in the manner by law provided for other condemnation suits brought by or on behalf of a county;

Where a city is to pay the purchase price it shall be the duty of the corporation counsel, city attorney, or other head of the legal department of said city, upon receipt by him or her of said certificate of the governor, to file a petition in the superior court for the county in which said city is situate, praying such condemnation, appropriation, and taking, which petition shall be

prosecuted to a final determination in the manner by law provided for other condemnation suits brought by or on behalf of such city;

Where the purchase price is to be paid by the state, a county, and a city or by the state and a county, or by the state and a city, or by a county and a city, the condemnation shall be prosecuted to a final determination in the manner by law provided for either or any thereof, as the governor may determine, which determination shall be final and conclusive.

Sec. 258. RCW 8.08.060 and 1949 c 79 s 6 are each amended to read as follows:

Upon the verdict of the jury or upon the determination of the court of the compensation or damages to be paid for the real estate or property appropriated, judgment shall be entered against such county in favor of the owner or owners of the real estate or property so appropriated for the amount found as just compensation therefor, and upon the payment of such amount by such county to the clerk of such court for the use of the owner or owners or the persons interested in the premises sought to be taken, the court shall enter a decree of appropriation of the real estate or property sought to be taken, thereby vesting the title to the same in such county; and a certified copy of such decree of appropriation may be filed in the office of the county auditor of the county wherein the real estate taken is situated and shall be recorded by such auditor like a deed of real estate and with like effect. The money so paid to the clerk of the court shall be by him or her paid to the person or persons entitled thereto upon the order of the court.

Sec. 259. RCW 8.08.080 and 1988 c 202 s 9 are each amended to read as follows:

Either party may seek appellate review of the judgment for compensation of the damages awarded in the superior court within thirty days after the entry of judgment as aforesaid, and such review shall bring before the supreme court or the court of appeals the propriety and justice of the amount of damage in respect to the parties to the review: PROVIDED, That upon such review no bonds shall be required: AND PROVIDED FURTHER, That if the owner of land, real estate, or premises accepts the sum awarded by the jury or the court, he or she shall be deemed thereby to have waived conclusively appellate review, and final judgment by default may be rendered in the superior court as in other cases.

Sec. 260. RCW 8.12.120 and 1907 c 153 s 8 are each amended to read as follows:

Such jury shall also ascertain the just compensation to be paid to any person claiming an interest in any lot, parcel of land, or property which may be taken or damaged by such improvement, whether or not such person's name or such lot, parcel of land, or other property is mentioned or described in such petition: PROVIDED, Such person shall first be admitted as a party defendant to said suit by such court and shall file a statement of his or her interest in and description of the lot, parcel of land, or other property in respect to which he or she claims compensation.

Sec. 261. RCW 8.12.200 and 1993 c 14 s 1 are each amended to read as follows:

Any final judgment or judgments rendered by said court upon any finding or findings of any jury or juries, or upon any finding or findings of the court in case

a jury be waived, shall be lawful and sufficient condemnation of the land or property to be taken, or of the right to damage the same in the manner proposed, upon the payment of the amount of such findings and all costs which shall be taxed as in other civil cases, provided that in case any defendant recovers no damages, no costs shall be taxed. Such judgment or judgments shall be final and conclusive as to the damages caused by such improvement unless appellate review is sought, and review of the same shall not delay proceedings under said ordinance, if such city shall pay into court for the owners and parties interested, as directed by the court, the amount of the judgment and costs, and such city, after making such payment into court, shall be liable to such owner or owners or parties interested for the payment of any further compensation which may at any time be finally awarded to such parties seeking review of said proceeding, and his or her costs, and shall pay the same on the rendition of judgment therefor, and abide any rule or order of the court in relation to the matter in controversy. In case of review by the supreme court or the court of appeals of the state by any party to the proceedings the money so paid into the superior court by such city, as aforesaid, shall remain in the custody of said superior court until the final determination of the proceedings. If the owner of the land, real estate, premises, or other property accepts the sum awarded by the jury or the court, he or she shall be deemed thereby to have waived conclusively appellate review and final judgment may be rendered in the superior court as in other cases.

Sec. 262. RCW 8.12.260 and 1907 c 153 s 21 are each amended to read as follows:

At any time after June 11, 1907, any such city may petition the superior court of the county in which said city is situated, that a board of eminent domain commissioners be appointed to make assessments in all condemnation proceedings instituted by such city. Said superior court shall thereupon, by order duly entered in its records, appoint three competent persons as commissioners who shall be known as and who shall constitute the "board of eminent domain commissioners of the city of . . .," and who shall thereafter make assessments in all condemnation proceedings instituted by such city. The order of the court shall provide that one of the members of such board shall serve for one year, one for two years, and one for three years, from the date of their appointment and until their successors are appointed and qualified. Annually thereafter, said superior court shall appoint one such person as such commissioner, whose term shall begin on the same day of the month on which the first order of appointment was made and continue for three years thereafter and until his or her successor is appointed and qualified. If any commissioner shall be disqualified in any proceeding by reason of interest, or for any other reason, said superior court shall appoint some other competent person to act in his or her place in such proceeding.

Sec. 263. RCW 8.12.270 and 1947 c 139 s 1 are each amended to read as follows:

All commissioners, before entering upon their duties, shall take and subscribe an oath that they will faithfully perform the duties of the office to which they are appointed, and will to the best of their abilities make true and impartial assessments according to law. Every commissioner shall receive compensation at the rate of ten dollars per day for each day actually spent in

making the assessment herein provided for: PROVIDED, That in any city of the first class the superior court of the county in which said city is situated may, by order duly entered in its record, fix the compensation of each commissioner in an amount in no case to exceed twenty-five dollars per day for each day actually spent in making the assessment herein provided for. Each commissioner shall file in the proceeding in which he or she has made such assessment his or her account, stating the number of days he or she has actually spent in said proceeding, and upon the approval of said account by the judge before whom the proceeding is pending, the comptroller or city clerk of such city shall issue a warrant in the amount approved by the judge upon the special fund created to pay the awards and costs of said proceeding, and the fees of such commissioner so paid shall be included in the cost and expense of such proceedings. In case such commissioners are, during the same period, or parts thereof, engaged in making assessments in different proceedings, in rendering their accounts they shall apportion them to the different proceedings in proportion to the amount of time, actually spent by them on the assessment in each proceeding.

Sec. 264. RCW 8.12.360 and 1915 c 154 s 5 are each amended to read as follows:

The clerk of the court in which such judgment is rendered shall certify a copy of the assessment roll and judgment to the treasurer of the city, or if there has been an appeal taken from any part of such judgment, then he or she shall certify such part of the roll and judgment as is not included in such appeal, and the remainder when final judgment is rendered: PROVIDED, That if upon such appeal, the judgment of the superior court shall be affirmed, the assessments on such property as to which appeal has been taken shall bear interest at the same rate and from the same date which other assessments not paid within the time hereafter provided shall bear. Such copy of the assessment roll shall describe the lots, blocks, tracts, parcels of land, or other property assessed, and the respective amounts assessed on each, and shall be sufficient warrant to the city treasurer to collect the assessment therein specified. In no case, however, shall a copy of such assessment roll and judgment be certified to the city treasurer unless and until the awards of the jury shall have first been accepted by the city council or other legislative body as provided by law, or the time for rejecting the same shall have expired.

Sec. 265. RCW 8.12.370 and 1915 c 154 s 6 are each amended to read as follows:

Whenever the assessment for any such improvement shall be immediately payable, the owner of any such lot, tract, or parcel of land or other property so assessed may pay such entire assessment, or any part thereof, without interest, within thirty days after the notice of such assessment.

The city treasurer shall, as soon as the certified copy of the assessment roll has been placed in his or her hands for collection, publish a notice in the official newspaper of the city for two consecutive daily, or two consecutive weekly issues, and then by posting four notices thereof in public places along the line of the proposed improvement, that the said roll is in his or her hands for collection, and that any assessment thereon, or any part thereof, may be paid within thirty days from the date of the first publication or posting of said notice, without

penalty, interest or costs, and if not so paid, the same shall thereupon become delinquent.

Sec. 266. RCW 8.12.380 and 1907 c 153 s 33 are each amended to read as follows:

It shall be the duty of the city treasurer into whose hands such judgment and assessment roll shall come, to mail notices of such assessment to the persons whose names appear on the assessment roll, so far as the addresses of such persons are known to him or her. Any such treasurer omitting so to do, shall be liable to a penalty of five dollars for every such omission; but the validity of the special assessment shall not be affected by such omission. When any assessment or assessments are paid, it shall be the duty of the treasurer to write the word "paid" opposite the same together with the name and post office address of the person making the payment and the date of payment. The owner may annually notify the treasurer of his or her address and it shall be the duty of the treasurer to mail the notice above provided for to such address.

Sec. 267. RCW 8.12.430 and 1985 c 469 s 4 are each amended to read as follows:

Whenever the assessment for any such improvement shall be payable in installments, the owner of any lot, tract, or parcel of land or other property charged with any such assessment may pay the assessment or any portion thereof, without interest, within thirty days after such notice of the assessment.

The city treasurer shall, as soon as the certified copy of the assessment roll has been placed in his or her hands for collection, publish a notice in the official newspaper of the city for two consecutive daily or two consecutive weekly issues, that the roll is in his or her hands for collection and that any assessment thereon or any portion of any such assessment may be paid at any time within thirty days from the date of the first publication of the notice without penalty, interest, or costs, and the unpaid balance, if any, may be paid in equal annual installments, or any such assessment may be paid at any time after the first thirty days following the date of the first publication of the notice by paying the entire unpaid portion thereof with all penalties and costs attached, together with all interest thereon to the date of delinquency of the first installment thereof next falling due.

The notice shall further state that the first installment of the assessment shall become due and payable during the thirty day period succeeding a date one year after the date of first publication of the notice, and annually thereafter each succeeding installment shall become due and payable in like manner.

If the whole or any portion of any assessment remains unpaid after the first thirty day period herein provided for, interest upon the whole unpaid sum shall be charged at the bond rate, and each year thereafter one of the installments, together with interest due upon the whole of the unpaid balance, shall be collected, except that where the assessment is payable in twenty years, installments of interest only shall be collected for the first ten years, as provided in RCW 8.12.420.

Any installment not paid prior to the expiration of the thirty day period during which the installment is due and payable, shall thereupon become delinquent. All delinquent installments shall be subject to a charge of five percent penalty levied upon both principal and interest due on the installments,

and all delinquent installments, except installments of interest when the assessment is payable in twenty years, as provided in RCW 8.12.420, shall, until paid, be subject to a charge for interest at the bond rate.

The bonds herein provided for shall not be issued prior to twenty days after the expiration of the thirty days first above mentioned, but may be issued at any time thereafter. In all cases where any sum is paid as herein provided, the same shall be paid to the city treasurer, or to the officer whose duty it is to collect the assessments, and all sums so paid shall be applied solely to the payment of the awards, interest and costs of the improvements or the redemption of the bonds issued therefor.

Sec. 268. RCW 8.12.440 and 1983 c 167 s 14 are each amended to read as follows:

If the city shall fail, neglect, or refuse to pay said bonds or to promptly collect any such assessments when due, the owner of any such bonds may proceed in his or her own name to collect such assessment and foreclose the lien thereof in any court of competent jurisdiction, and shall in addition to the principal of such bonds and interest thereon, recover five percent of such sum, together with the costs of such suit. Any number of owners of such bonds for any single improvement may join as plaintiffs and any number of owners of the property on which the same are a lien may be joined as defendants in such suit.

Sec. 269. RCW 8.12.450 and 1915 c 154 s 16 are each amended to read as follows:

Neither the holder nor owner of any bond issued under the authority of this chapter shall have any claim therefor against the city by which the same is issued, except from the special assessment made for the improvement for which such bond was issued, but his or her remedy in case of nonpayment, shall be confined to the enforcement of such assessments. A copy of this section shall be plainly written, printed, or engraved on each bond so issued.

Sec. 270. RCW 8.12.490 and 1907 c 153 s 43 are each amended to read as follows:

Whenever before the sale of any property the amount of any assessment thereon, with interest and costs accrued thereon, shall be paid to the treasurer, he or she shall thereupon mark the same paid, with the date of payment thereof on the assessment roll, and whenever after sale of any property for any assessments, the same shall be redeemed, he or she shall thereupon enter the same redeemed with the date of such redemption on such record. Such entry shall be made on the margin of the record opposite the description of such property.

Sec. 271. RCW 8.12.500 and 1907 c 153 s 44 are each amended to read as follows:

If the treasurer shall receive any moneys for assessments, giving a receipt therefor, for any property and afterwards return the same as unpaid, or shall receive the same after making such return, and the same be sold for assessment which has been so paid and receipted for by himself or herself or his or her clerk or assistant, he or she and his or her bond shall be liable to the holder of the certificate given to the purchaser at the sale for the amount of the face of the certificate, and a penalty of fifteen percent additional thereto besides legal interest, to be demanded within two years from the date of the sale and recovered

in any court having jurisdiction of the amount, and the city shall in no case be liable to the holder of such certificate.

Sec. 272. RCW 8.16.020 and 1909 p 372 s 2 are each amended to read as follows:

The board of directors of the school district shall present to the superior court of the state of Washington in and for the county wherein is situated the real estate desired to be acquired for schoolhouse site purposes, a petition, reciting that the board of directors of such school district have selected certain real estate, describing it, as a schoolhouse site, or as additional grounds to an existing site, for such school district; that the site so selected, or some part thereof, describing it, belongs to a person or persons, naming him, her, or them, that such school district has offered to give the owner or owners thereof therefor dollars, and that the owner of such real estate has refused to accept the same therefor; that the board of school directors of such school district and the said owner or owners of such real estate are unable to agree upon the compensation to be paid by such school district to the owner or owners of such real estate therefor, and praying that a jury be impaneled to ascertain and determine the compensation to be made in money by such school district to such owner or owners for the taking of such real estate for the use as a schoolhouse site for such school district; or in case a jury be waived in the manner provided by law in other civil actions in courts of record, then that the compensation to be made as aforesaid, be ascertained and determined by the court, or judge thereof.

Sec. 273. RCW 8.16.060 and 1909 p 373 s 6 are each amended to read as follows:

The jury impaneled to hear the evidence and determine the compensation to be paid to the owner or owners of such real estate desired for such schoolhouse site purpose shall consist of twelve persons unless a less number be agreed upon, and shall be selected, impaneled, and sworn in the same manner that juries in other civil actions are selected, impaneled, and sworn, provided a juror may be challenged for cause on the ground that he or she is a taxpayer of the district seeking the condemnation of any real estate.

Sec. 274. RCW 8.16.110 and 1909 p 374 s 11 are each amended to read as follows:

Upon the verdict of the jury, or upon the determination by the court of the compensation to be paid for the property sought to be taken as herein provided, judgment shall be entered against such school district in favor of the owner or owners of the real estate sought to be taken, for the amount found as compensation therefor, and upon the payment of such amount by such school district to the clerk of such court for the use of the owner or owners of, and the persons interested in the premises sought to be taken, the court shall enter a decree of appropriation of the real estate sought to be taken, thereby vesting the title to the same in such school district; and a certified copy of such decree of appropriation may be filed in the office of the county auditor of the county wherein the real estate taken is situated, and shall be recorded by such auditor like a deed of real estate, and with like effect. The money so paid to the clerk of the court shall be by him or her paid to the person or persons entitled thereto, upon the order of the court.

Sec. 275. RCW 8.16.130 and 1988 c 202 s 12 are each amended to read as follows:

Either party may seek appellate review of the judgment for compensation awarded for the property taken, entered in the superior court, to the supreme court or the court of appeals of the state within sixty days after the entry of the judgment, and such review shall bring before the supreme court or the court of appeals the justness of the compensation awarded for the property taken, and any error occurring on the hearing of such matter, prejudicial to the party appealing: PROVIDED, HOWEVER, That if the owner or owners of the land taken accepts the sum awarded by the jury or court, he, she, or they shall be deemed thereby to have waived appellate review.

Sec. 276. RCW 8.16.150 and 1909 p 375 s 15 are each amended to read as follows:

In all proceedings under this chapter the school district seeking to acquire title to real estate for a schoolhouse site, shall be denominated plaintiff, and all other persons interested therein shall be denominated defendants; and in all such proceedings the clerk of the superior court wherein any such proceeding is brought shall charge nothing for his or her services, except in taking an appeal from the judgment entered in the superior court.

Sec. 277. RCW 8.20.010 and 1890 p 294 s 1 are each amended to read as follows:

Any corporation authorized by law to appropriate land, real estate, premises, or other property for right-of-way or any other corporate purposes, may present to the superior court of the county in which any land, real estate, premises, or other property sought to be appropriated shall be situated, or to the judge of such superior court in any county where he or she has jurisdiction or is holding court, a petition in which the land, real estate, premises, or other property sought to be appropriated shall be described with reasonable certainty, and setting forth the name of each and every owner, encumbrancer, or other person or party interested in the same, or any part thereof, so far as the same can be ascertained from the public records, the object for which the land is sought to be appropriated, and praying that a jury be impaneled to ascertain and determine the compensation to be made in money, irrespective of any benefit from any improvement proposed by such corporation, to such owner or owners, respectively, and to all tenants, encumbrancers, and others interested, for the taking or injuriously affecting such lands, real estate, premises, or other property, or in case a jury be waived as in other civil cases in courts of record in the manner prescribed by law, then that the compensation to be made, as aforesaid, be ascertained and determined by the court, or judge thereof.

Sec. 278. RCW 8.20.110 and 1890 p 299 s 8 are each amended to read as follows:

Any person, corporation, state or county, claiming to be entitled to any money paid into court, as provided in RCW 8.20.010 through 8.20.140 may apply to the court therefor, and upon furnishing evidence satisfactory to the court that he, she, or it is entitled to the same, the court shall make an order directing the payment to such claimant the portion of such money as he, she, or it shall be found entitled to; but if, upon application, the court or judge thereof shall decide that the title to the land, real estate, premises, or other property specified in the

application of such claimant was in such condition as to require that an action be commenced to determine the conflicting claims thereto, he or she shall refuse such order until such action is commenced and the conflicting claims to such land, real estate, premises, or other property be determined according to law.

Sec. 279. RCW 8.20.120 and 1988 c 202 s 14 are each amended to read as follows:

Either party may seek appellate review of the judgment for damages entered in the superior court within thirty days after the entry of judgment as aforesaid and such review shall bring before the supreme court or the court of appeals the propriety and justness of the amount of damages in respect to the parties to the review: PROVIDED, HOWEVER, That no bond shall be required of any person interested in the property sought to be appropriated by such corporation, but in case the corporation appropriating such land, real estate, premises, or other property is appellant, it shall give a bond like that prescribed in RCW 8.20.130, to be executed, filed, and approved in the same manner: AND PROVIDED FURTHER, That if the owner of the land, real estate, premises, or other property accepts the sum awarded by the jury, the court, or the judge thereof, he or she shall be deemed thereby to have waived conclusively appellate review, and final judgment by default may be rendered in the superior court as in other cases.

Sec. 280. RCW 8.26.020 and 2003 c 254 s 1 are each amended to read as follows:

As used in this chapter:

(1) The term "state" means any department, commission, agency, or instrumentality of the state of Washington.

(2) The term "local public agency" applies to any county, city or town, or other municipal corporation or political subdivision of the state and any person who has the authority to acquire property by eminent domain under state law, or any instrumentality of any of the foregoing.

(3) The term "person" means any individual, partnership, corporation, or association.

(4)(a) The term "displaced person" means, except as provided in (c) of this subsection, any person who moves from real property, or moves his or her personal property from real property:

(i) As a direct result of a written notice of intent to acquire, or the acquisition of, such real property in whole or in part for a program or project undertaken by a displacing agency; or

(ii) On which the person is a residential tenant or conducts a small business, a farm operation, or a business defined in this section, as a direct result of rehabilitation, demolition, or such other displacing activity as the lead agency may prescribe, under a program or project undertaken by a displacing agency in any case in which the displacing agency determines that the displacement is permanent.

(b) Solely for the purposes of RCW 8.26.035 (1) and (2) and 8.26.065, the term "displaced person" includes any person who moves from real property, or moves his or her personal property from real property:

(i) As a direct result of a written notice of intent to acquire, or the acquisition of, other real property in whole or in part on which the person

conducts a business or farm operation, for a program or project undertaken by a displacing agency; or

(ii) As a direct result of rehabilitation, demolition, or such other displacing activity as the lead agency may prescribe, of other real property on which the person conducts a business or a farm operation, under a program or project undertaken by a displacing agency where the displacing agency determines that the displacement is permanent.

(c) The term "displaced person" does not include:

(i) A person who has been determined, according to criteria established by the lead agency, to be either unlawfully occupying the displacement dwelling or to have occupied the dwelling for the purpose of obtaining assistance under this chapter; or

(ii) In any case in which the displacing agency acquires property for a program or project, any person (other than a person who was an occupant of the property at the time it was acquired) who occupies the property on a rental basis for a short term or a period subject to termination when the property is needed for the program or project.

(5) The term "business" means any lawful activity, excepting a farm operation, conducted primarily:

(a) For the purchase, sale, lease, and rental of personal and real property, and for the manufacture, processing, or marketing of products, commodities, or other personal property;

(b) For the sale of services to the public;

(c) By a nonprofit organization; or

(d) Solely for the purposes of RCW 8.26.035, for assisting in the purchase, sale, resale, manufacture, processing, or marketing of products, commodities, personal property, or services by the erection and maintenance of an outdoor advertising display or displays, whether or not such display or displays are located on the premises on which any of the above activities are conducted.

(6) The term "farm operation" means any activity conducted solely or primarily for the production of one or more agricultural products or commodities, including timber, for sale or for home use, and customarily producing such products or commodities in sufficient quantity to be capable of contributing materially to the operator's support.

(7) The term "comparable replacement dwelling" means any dwelling that is (a) decent, safe, and sanitary; (b) adequate in size to accommodate the occupants; (c) within the financial means of the displaced person; (d) functionally equivalent; (e) in an area not subject to unreasonably adverse environmental conditions; and (f) in a location generally not less desirable than the location of the displaced person's dwelling with respect to public utilities, facilities, services, and the displaced person's place of employment.

(8) For purposes of RCW 8.26.180 through 8.26.200, the term "acquiring agency" means:

(a) A state agency or local public agency that has the authority to acquire property by eminent domain under state law; or

(b) Any state agency, local public agency, or person that (i) does not have the authority to acquire property by eminent domain under state law and (ii) has been designated an "acquiring agency" under rules adopted by the lead agency. However, the lead agency may only designate a state agency, local public

agency, or a person as an "acquiring agency" to the extent that it is necessary in order to qualify for federal financial assistance.

(9) The term "displacing agency" means the state agency, local public agency, or any person carrying out a program or project, with federal or state financial assistance, that causes a person to be a displaced person.

(10) The term "federal financial assistance" means a grant, loan, or contribution provided by the United States, except any federal guarantee or insurance and any interest reduction payment to an individual in connection with the purchase and occupancy of a residence by that individual.

(11) The term "mortgage" means such classes of liens as are commonly given to secure advances on, or the unpaid purchase price of, real property, under the laws of this state, together with the credit instruments, if any, secured thereby.

(12) The term "lead agency" means the Washington state department of transportation.

(13) The term "appraisal" means a written statement independently and impartially prepared by a qualified appraiser setting forth an opinion of defined value of an adequately described property as of a specific date, supported by the presentation and analysis of relevant market information.

Sec. 281. RCW 8.26.085 and 1988 c 90 s 8 are each amended to read as follows:

(1) The lead agency, after full consultation with the department of general administration, shall adopt rules and establish such procedures as the lead agency may determine to be necessary to assure:

(a) That the payments and assistance authorized by this chapter are administered in a manner that is fair and reasonable and as uniform as practicable;

(b) That a displaced person who makes proper application for a payment authorized for that person by this chapter is paid promptly after a move or, in hardship cases, is paid in advance; and

(c) That a displaced person who is aggrieved by a program or project that is under the authority of a state agency or local public agency may have his or her application reviewed by the state agency or local public agency.

(2) The lead agency, after full consultation with the department of general administration, may adopt such other rules and procedures, consistent with the provisions of this chapter, as the lead agency deems necessary or appropriate to carry out this chapter.

(3) State agencies and local public agencies shall comply with the rules adopted pursuant to this section by April 2, 1989.

Sec. 282. RCW 8.26.180 and 1988 c 90 s 12 are each amended to read as follows:

Every acquiring agency shall, to the greatest extent practicable, be guided by the following policies:

(1) Every reasonable effort shall be made to acquire expeditiously real property by negotiation.

(2) Real property shall be appraised before the initiation of negotiations, and the owner or his or her designated representative shall be given an opportunity to accompany at least one appraiser of the acquiring agency during his or her

inspection of the property, except that the lead agency may prescribe a procedure to waive the appraisal in cases involving the acquisition of property with a low fair market value.

(3) Before the initiation of negotiations for real property, the acquiring agency shall establish an amount which it believes to be just compensation therefor, and shall make a prompt offer to acquire the property for the full amount so established. In no event shall such amount be less than the agency's approved appraisal of the fair market value of such property. Any decrease or increase in the fair market value of the real property to be acquired prior to the date of valuation caused by the public improvement for which such property is acquired, or by the likelihood that the property would be acquired for such improvement, other than that due to physical deterioration within the reasonable control of the owner, will be disregarded in determining the compensation for the property. The acquiring agency shall provide the owner of real property to be acquired with a written statement of, and summary of the basis for, the amount it established as just compensation. Where appropriate the just compensation for the real property acquired, for damages to remaining real property, and for benefits to remaining real property shall be separately stated.

(4) No owner shall be required to surrender possession of real property before the agreed purchase price is paid or deposited with a court having jurisdiction of condemnation of such property, in accordance with applicable law, for the benefit of the owner an amount not less than the acquiring agency's approved appraisal of the fair market value of such property, or the amount of the award of compensation in the condemnation proceeding of such property.

(5) The construction or development of a public improvement shall be so scheduled that, to the greatest extent practicable, no person lawfully occupying real property shall be required to move from a dwelling or to move his or her business or farm operation without at least ninety days written notice of the date by which such move is required.

(6) If an owner or tenant is permitted to occupy the real property acquired on a rental basis for a short term or for a period subject to termination on short notice, the amount of rent required shall not exceed the fair rental value of the property to a short-term occupier.

(7) In no event shall the time of condemnation be advanced, on negotiations or condemnation and the deposit of funds in court for the use of the owner be deferred, or any other coercive action be taken to compel an agreement on the price to be paid for the property.

(8) If an interest in real property is to be acquired by exercise of the power of eminent domain, formal condemnation proceedings shall be instituted. The acquiring agency shall not intentionally make it necessary for an owner to institute legal proceedings to prove the fact of the taking of his or her real property.

(9) If the acquisition of only a portion of a property would leave the owner with an uneconomic remnant, the head of the agency concerned shall offer to acquire that remnant. For the purposes of this chapter, an uneconomic remnant is a parcel of real property in which the owner is left with an interest after the partial acquisition of the owner's property and that the head of the agency concerned has determined has little or no value or utility.

(10) A person whose real property is being acquired in accordance with this chapter may, after the person has been fully informed of his or her right to receive just compensation for the property, donate the property, any part thereof, any interest therein, or any compensation paid for it to any agency as the person may determine.

Sec. 283. RCW 8.26.190 and 1988 c 90 s 13 are each amended to read as follows:

(1) Where any interest in real property is acquired, the acquiring agency shall acquire an equal interest in all buildings, structures, or other improvements located upon the real property so acquired and which is required to be removed from such real property or which is determined to be adversely affected by the use to which such real property will be put.

(2) For the purpose of determining the just compensation to be paid for any building, structure, or other improvement required to be acquired under subsection (1) of this section, such building, structure, or other improvement shall be deemed to be a part of the real property to be acquired notwithstanding the right or obligation of a tenant of the lands, as against the owner of any other interest in the real property, to remove such building, structure, or improvement at the expiration of his or her term, and the fair market value which such building, structure, or improvement contributes to the fair market value of the real property to be acquired, or the fair market value of such building, structure, or improvement for removal from the real property, whichever is the greater, shall be paid to the owner of such building, structure, or improvement.

(3) Payment for such building, structure, or improvement under subsection (1) of this section shall not result in duplication of any payments otherwise authorized by state law. No such payment shall be made unless the owner of the land involved disclaims all interest in the improvements of the tenant. In consideration for any such payment, the tenant shall assign, transfer, and release all his or her right, title, and interest in and to such improvements. Nothing with regard to the above-mentioned acquisition of buildings, structures, or other improvements shall be construed to deprive the tenant of any rights to reject payment and to obtain payment for such property interests in accordance with other laws of this state.

Sec. 284. RCW 8.28.010 and 1927 c 255 s 104 are each amended to read as follows:

In all condemnation proceedings brought for the purpose of appropriating any public land owned by the state or in which the state has an interest, service of process shall be made upon the commissioner of public lands.

When in any condemnation proceeding a decree is entered appropriating public lands owned by the state or in which the state has an interest, or any interest in or rights over such lands, it shall be the duty of the plaintiff to cause to be filed in the office of the commissioner of public lands a certified copy of such decree, together with a plat of the lands appropriated and the lands contiguous thereto, in form and substance as prescribed and required by the commissioner of public lands, showing in detail the lands appropriated, and to pay to the commissioner of public lands, or into the registry of the court, the amount of compensation and damages fixed and awarded in the decree. Upon receipt of such decree, plat, compensation and damages, the commissioner of public lands

shall examine the same, and if he or she shall find that the final decree and proceedings comply with the original petition and notice and any amendment duly authorized, and that no additional interest of the state has been taken or appropriated through error or mistake, he or she shall cause notations thereof to be made upon the abstracts, records and tract books in his or her office, and shall issue to the plaintiff his or her certificate, reciting compliance, in substance, with the above requirements, particularly describing the lands appropriated, and shall forthwith transmit the amount received as compensation and damages to the state treasurer, as in the case of sale of land, and the subdivision of land through which any right-of-way is appropriated shall thereafter be sold or leased subject to the right-of-way.

Sec. 285. RCW 9.01.110 and 1909 c 249 s 23 are each amended to read as follows:

No person shall be punished for an omission to perform an act when such act has been performed by another acting in his or her behalf, and competent to perform it.

Sec. 286. RCW 9.03.020 and 1955 c 298 s 2 are each amended to read as follows:

Any owner, lessee, or manager who knowingly permits such an unused refrigerator, icebox, or deep freeze locker to remain on the premises under his or her control without having the door removed or a portion of the latch mechanism removed to prevent latching or locking of the door is guilty of a misdemeanor.

Sec. 287. RCW 9.03.040 and 1955 c 298 s 4 are each amended to read as follows:

Any person who keeps or stores refrigerators, iceboxes, or deep freeze lockers for the purpose of selling or offering them for sale shall not be guilty of a violation of this chapter if he or she takes reasonable precautions to effectively secure the door of any refrigerator, icebox, or deep freeze locker held for purpose of sale so as to prevent entrance of children small enough to fit into such articles.

Sec. 288. RCW 9.04.080 and 1961 c 189 s 4 are each amended to read as follows:

In the enforcement of RCW 9.04.050 through 9.04.080 the official enforcing RCW 9.04.050 through 9.04.080 may accept an assurance of discontinuance of any act or practice deemed in violation of RCW 9.04.050 through 9.04.080, from any person engaging in, or who has engaged in such act or practice. Any such assurance shall be in writing and be filed with and subject to the approval of the superior court of the county in which the alleged violator resides or has his or her principal place of business, or in Thurston county. A violation of such assurance shall constitute prima facie proof of a violation of RCW 9.04.050 through 9.04.080: PROVIDED, That after commencement of any action by a prosecuting attorney, as provided herein, the attorney general may not accept an assurance of discontinuance without the consent of the prosecuting attorney.

Sec. 289. RCW 9.16.060 and 1909 c 249 s 347 are each amended to read as follows:

Every person who shall for himself or herself, or on behalf of any other person, corporation, association, or union, procure the filing of any label,

trademark, term, design, device, or form of advertisement, with the secretary of state by any fraudulent means, shall be guilty of a misdemeanor.

Sec. 290. RCW 9.16.100 and 1909 c 249 s 428 are each amended to read as follows:

Every person who shall make, sell or offer to sell or dispose of, or have in his or her possession with intent to sell or dispose of any metal article marked, stamped or branded with the words "sterling," "sterling silver," or "solid silver," unless nine hundred twenty-five one-thousandths of the component parts of the metal of which such article and all parts thereof is manufactured is pure silver, shall be guilty of a gross misdemeanor.

Sec. 291. RCW 9.16.110 and 1909 c 249 s 429 are each amended to read as follows:

Every person who shall make, sell or offer to sell or dispose of, or have in his or her possession with intent to dispose of any metal article marked, stamped or branded with the words "coin," or "coin silver," unless nine hundred one-thousandths of the component parts of the metal of which such article and all parts thereof is manufactured, is pure silver, shall be guilty of a gross misdemeanor.

Sec. 292. RCW 9.16.120 and 1909 c 249 s 430 are each amended to read as follows:

Every person who shall make, sell, offer to sell or dispose of, or have in his or her possession with intent to sell or dispose of, any article comprised of leather, shell, ivory, celluloid, pearl, glass, porcelain, pottery, steel or wood, to which is applied or attached a metal mounting marked, stamped or branded with the words "sterling," or "sterling silver," unless nine hundred twenty-five one-thousandths of the component parts of the metal of which such metal mounting is manufactured is pure silver, shall be guilty of a gross misdemeanor.

Sec. 293. RCW 9.16.130 and 1909 c 249 s 431 are each amended to read as follows:

Every person who shall make, sell, offer to sell or dispose of, or have in his or her possession with intent to sell or dispose of, any article comprised of leather, shell, ivory, celluloid, pearl, glass, porcelain, pottery, steel or wood, to which is applied or attached a metal mounting marked, stamped or branded with the words "coin" or "coin silver," unless nine hundred one-thousandths of the component parts of the metal of which such metal mounting is manufactured is pure silver, shall be guilty of a gross misdemeanor.

Sec. 294. RCW 9.16.140 and 1909 c 249 s 432 are each amended to read as follows:

Every person who shall make, sell, offer to sell or dispose of, or have in his or her possession with intent to sell or dispose of, any article constructed wholly or in part of gold, or of an alloy of gold, and marked, stamped or branded in such manner as to indicate that the gold or alloy of gold in such article is of a greater degree or carat of fineness, by more than one carat, than the actual carat or fineness of such gold or alloy of gold, shall be guilty of a gross misdemeanor.

Sec. 295. RCW 9.18.080 and 1909 c 249 s 78 are each amended to read as follows:

Every person offending against any of the provisions of law relating to bribery or corruption shall be a competent witness against another so offending and shall not be excused from giving testimony tending to criminate himself or herself.

Sec. 296. RCW 9.38.010 and 1909 c 249 s 368 are each amended to read as follows:

Every person who, with intent thereby to obtain credit or financial rating, shall (~~willfully~~) willfully make any false statement in writing of his or her assets or liabilities to any person with whom he or she may be either actually or prospectively engaged in any business transaction or to any commercial agency or other person engaged in the business of collecting or disseminating information concerning financial or commercial ratings, shall be guilty of a misdemeanor.

Sec. 297. RCW 9.44.080 and 1999 c 143 s 4 are each amended to read as follows:

In a situation not covered by RCW (~~29.79.440, 29.79.490, 29.82.170, or 29.82.220~~) 29A.84.220, 29A.84.230, 29A.84.240, or 29A.84.250, every person who shall willfully sign the name of another person or of a fictitious person, or for any consideration, gratuity or reward shall sign his or her own name to or withdraw his or her name from any referendum or other petition circulated in pursuance of any law of this state or any municipal ordinance; or in signing his or her name to such petition shall willfully subscribe to any false statement concerning his or her age, citizenship, residence or other qualifications to sign the same; or knowing that any such petition contains any such false or wrongful signature or statement, shall file the same, or put the same off with intent that it should be filed, as a true and genuine petition, shall be guilty of a misdemeanor.

Sec. 298. RCW 9.45.060 and 1971 c 61 s 1 are each amended to read as follows:

Every person being in possession thereof, who shall sell, remove, conceal, convert to his or her own use, or destroy or connive at or consent to the sale, removal, conversion, concealment, or destruction of any personal property or any part thereof, upon which a security agreement, mortgage, lien, conditional sales contract, rental agreement, or lease exists, with intent to hinder, delay, or defraud the secured party of such security agreement, or the holder of such mortgage, lien, or conditional sales contract or the lessor under such lease or renter (~~(of under)~~) under such rental agreement, or any assignee of such security agreement, mortgage, lien, conditional sales contract, rental agreement or lease shall be guilty of a gross misdemeanor.

In any prosecution under this section any allegation containing a description of the security agreement, mortgage, lien, conditional sales contract, rental agreement, or lease by reference to the date thereof and names of the parties thereto, shall be sufficiently definite and certain.

The provisions of this section shall be cumulative and nonexclusive and shall not affect any other criminal provision.

Sec. 299. RCW 9.45.080 and 1909 c 249 s 379 are each amended to read as follows:

Every person who, with intent to defraud a prior or subsequent purchaser thereof, or prevent any of his or her property being made liable for the payment

of any of his or her debts, or levied upon by an execution or warrant of attachment, shall remove any of his or her property, or secrete, assign, convey, or otherwise dispose of the same, or with intent to defraud a creditor shall remove, secrete, assign, convey, or otherwise dispose of any of his or her books or accounts, vouchers or writings in any way relating to his or her business affairs, or destroy, obliterate, alter, or erase any of such books of account, accounts, vouchers, or writing or any entry, memorandum, or minute therein contained, shall be guilty of a gross misdemeanor.

Sec. 300. RCW 9.45.090 and 1909 c 249 s 380 are each amended to read as follows:

Every person who shall receive any property or conveyance thereof from another, knowing that the same is transferred or delivered to him or her in violation of, or with the intent to violate RCW 9.45.080, shall be guilty of a misdemeanor.

Sec. 301. RCW 9.45.100 and 1909 c 249 s 381 are each amended to read as follows:

Every person who, having made, or being about to make, a general assignment of his or her property to pay his or her debts, shall by color or aid of any false or fraudulent representation, pretense, token, or writing induce any creditor to participate in the benefits of such assignments, or to give any release or discharge of his or her claim or any part thereof, or shall connive at the payment in whole or in part of any false, fraudulent or fictitious claim, shall be guilty of a gross misdemeanor.

Sec. 302. RCW 9.46.050 and 1984 c 287 s 9 are each amended to read as follows:

(1) Upon appointment of the initial membership the commission shall meet at a time and place designated by the governor and proceed to organize, electing one of such members as ~~((chairman))~~ chair of the commission who shall serve until July 1, 1974; thereafter a ~~((chairman))~~ chair shall be elected annually.

(2) A majority of the members shall constitute a quorum of the commission: PROVIDED, That all actions of the commission relating to the regulation of licensing under this chapter shall require an affirmative vote by three or more members of the commission.

(3) The principal office of the commission shall be at the state capitol, and meetings shall be held at least quarterly and at such other times as may be called by the ~~((chairman))~~ chair or upon written request to the ~~((chairman))~~ chair of a majority of the commission.

(4) Members shall be compensated in accordance with RCW 43.03.250 and shall receive reimbursement for travel expenses incurred in the performance of their duties as provided in RCW 43.03.050 and 43.03.060.

(5) Before entering upon the duties of his or her office, each of the members of the commission shall enter into a surety bond executed by a surety company authorized to do business in this state, payable to the state of Washington, to be approved by the governor, in the penal sum of fifty thousand dollars, conditioned upon the faithful performance of his or her duties, and shall take and subscribe to the oath of office prescribed for elective state officers, which oath and bond shall be filed with the secretary of state. The premium for said bond shall be paid by the commission.

(6) Any member of the commission may be removed for inefficiency, malfeasance, or misfeasance in office, upon specific written charges filed by the governor, who shall transmit such written charges to the member accused and to the chief justice of the supreme court. The chief justice shall thereupon designate a tribunal composed of three judges of the superior court to hear and adjudicate the charges. Such tribunal shall fix the time of the hearing, which shall be public, and the procedure for the hearing, and the decision of such tribunal shall be final. Removal of any member of the commission by the tribunal shall disqualify such member for reappointment.

Sec. 303. RCW 9.46.130 and 1981 c 139 s 10 are each amended to read as follows:

The premises and paraphernalia, and all the books and records of any person, association, or organization conducting gambling activities authorized under this chapter and any person, association, or organization receiving profits therefrom or having any interest therein shall be subject to inspection and audit at any reasonable time, with or without notice, upon demand, by the commission or its designee, the attorney general or his or her designee, the chief of the Washington state patrol or his or her designee or the prosecuting attorney, sheriff, or director of public safety or their designees of the county wherein located, or the chief of police or his or her designee of any city or town in which said organization is located, for the purpose of determining compliance or noncompliance with the provisions of this chapter and any rules or regulations or local ordinances adopted pursuant thereto. A reasonable time for the purpose of this section shall be: (1) If the items or records to be inspected or audited are located anywhere upon a premises any portion of which is regularly open to the public or members and guests, then at any time when the premises are so open, or at which they are usually open; or (2) if the items or records to be inspected or audited are not located upon a premises set out in subsection (1) ~~((above))~~ of this section, then any time between the hours of 8:00 a.m. and 9:00 p.m., Monday through Friday.

The commission shall be provided at such reasonable intervals as the commission shall determine with a report, under oath, detailing all receipts and disbursements in connection with such gambling activities together with such other reasonable information as required in order to determine whether such activities comply with the purposes of this chapter or any local ordinances relating thereto.

Sec. 304. RCW 9.46.200 and 1987 c 4 s 41 are each amended to read as follows:

In addition to any other penalty provided for in this chapter, every person, directly or indirectly controlling the operation of any gambling activity authorized by this chapter, including a director, officer, and/or manager of any association, organization, or corporation conducting the same, whether charitable, nonprofit, or profit, shall be liable, jointly and severally, for money damages suffered by any person because of any violation of this chapter, together with interest on any such amount of money damages at six percent per annum from the date of the loss, and reasonable attorneys' fees: PROVIDED, That if any such director, officer, and/or manager did not know any such violation was taking place and had taken all reasonable care to prevent any such

violation from taking place, and if such director, officer, and/or manager shall establish by a preponderance of the evidence that he or she did not have such knowledge and that he or she had exercised all reasonable care to prevent the violations he or she shall not be liable hereunder. Any civil action under this section may be considered a class action.

Sec. 305. RCW 9.46.250 and 1987 c 4 s 45 are each amended to read as follows:

(1) All gambling premises are common nuisances and shall be subject to abatement by injunction or as otherwise provided by law. The plaintiff in any action brought under this subsection against any gambling premises, need not show special injury and may, in the discretion of the court, be relieved of all requirements as to giving security.

(2) When any property or premise held under a mortgage, contract, or leasehold is determined by a court having jurisdiction to be a gambling premises, all rights and interests of the holder therein shall terminate and the owner shall be entitled to immediate possession at his or her election: PROVIDED, HOWEVER, That this subsection shall not apply to those premises in which activities authorized by this chapter or any act or acts in furtherance thereof are carried on when conducted in compliance with the provisions of this chapter and in accordance with the rules and regulations adopted pursuant thereto.

(3) When any property or premises for which one or more licenses issued by the commission are in effect, is determined by a court having jurisdiction to be a gambling premise, all such licenses may be voided and no longer in effect, and no license so voided shall be issued or reissued for such property or premises for a period of up to sixty days thereafter. Enforcement of this subsection shall be the duty of all peace officers and all taxing and licensing officials of this state and its political subdivisions and other public agencies. This subsection shall not apply to property or premises in which activities authorized by this chapter, or any act or acts in furtherance thereof, are carried on when conducted in compliance with the provisions of this chapter and in accordance with the rules and regulations adopted pursuant thereto.

Sec. 306. RCW 9.47.100 and 1909 c 249 s 225 are each amended to read as follows:

Every person, whether in his or her own behalf, or as the servant, agent, or employee of another person, within or outside of this state, who shall buy or sell for another, or execute any order for the purchase or sale of any commodities, securities, or property, upon margin or credit, whether for immediate or future delivery, shall, upon written demand therefor, furnish such principal or customer with a written statement containing the names of the persons from whom such property was bought, or to whom it has been sold, as the case may be, the time when, the place where, the amount of, and the price at which the same was either bought or sold; and if such person shall refuse or neglect to furnish such statement within forty-eight hours after such written demand, such refusal shall be prima facie evidence as against him or her that such purchase or sale was made in violation of RCW 9.47.090.

Sec. 307. RCW 9.47A.040 and 1984 c 68 s 4 are each amended to read as follows:

No person may sell, offer to sell, deliver, or give to any other person any container of a substance containing a solvent having the property of releasing toxic vapors or fumes, if he or she has knowledge that the product sold, offered for sale, delivered, or given will be used for the purpose set forth in RCW 9.47A.020.

Sec. 308. RCW 9.51.020 and 1909 c 249 s 76 are each amended to read as follows:

Every person who shall, directly or indirectly, solicit or request any person charged with the duty of preparing any jury list to put his or her name, or the name of any other person, on any such list, shall be guilty of a gross misdemeanor.

Sec. 309. RCW 9.51.040 and 1909 c 249 s 121 are each amended to read as follows:

Every grand juror who, with knowledge that a challenge interposed against him or her by a defendant has been allowed, shall be present at, or take part, or attempt to take part, in the consideration of the charge against the defendant who interposed such challenge, or the deliberations of the grand jury thereon, shall be guilty of a misdemeanor.

Sec. 310. RCW 9.51.050 and 1909 c 249 s 126 are each amended to read as follows:

Every judge, grand juror, prosecuting attorney, clerk, stenographer, or other officer who, except in the due discharge of his or her official duty, shall disclose the fact that a presentment has been made or indictment found or ordered against any person, before such person shall be in custody; and every grand juror, clerk, or stenographer who, except when lawfully required by a court or officer, shall disclose any evidence adduced before the grand jury, or any proceeding, discussion, or vote of the grand jury or any member thereof, shall be guilty of a misdemeanor.

Sec. 311. RCW 9.51.060 and 1909 c 249 s 127 are each amended to read as follows:

Every clerk of any court or other officer who shall (~~wilfully~~) willfully permit any deposition, or the transcript of any testimony, returned by a grand jury and filed with such clerk or officer, to be inspected by any person except the court, the deputies or assistants of such clerk, and the prosecuting attorney and his or her deputies, until after the arrest of the defendant, shall be guilty of a misdemeanor.

Sec. 312. RCW 9.54.130 and 1909 c 249 s 357 are each amended to read as follows:

The officer arresting any person charged as principal or accessory in any robbery or larceny shall use reasonable diligence to secure the property alleged to have been stolen, and after seizure shall be answerable therefor while it remains in his or her hands, and shall annex a schedule thereof to his or her return of the warrant.

Whenever the prosecuting attorney shall require such property for use as evidence upon the examination or trial, such officer, upon his or her demand, shall deliver it to him or her and take his or her receipt therefor, after which such prosecuting attorney shall be answerable for the same.

Sec. 313. RCW 9.55.020 and 1909 c 249 s 86 are each amended to read as follows:

Every person duly summoned to attend as a witness before either house of the legislature of this state, or any committee thereof authorized to summon witnesses, who shall refuse or neglect, without lawful excuse, to attend pursuant to such summons, or who shall (~~willfully~~) willfully refuse to be sworn or to affirm or to answer any material or proper question or to produce, upon reasonable notice, any material or proper books, papers or documents in his or her possession or under his or her control, shall be guilty of a gross misdemeanor.

Sec. 314. RCW 9.61.190 and 1987 c 456 s 25 are each amended to read as follows:

It is a class 1 civil infraction for any person, other than the owner thereof or his or her authorized agent, to knowingly shoot, kill, maim, injure, molest, entrap, or detain any Antwerp Messenger or Racing Pigeon, commonly called "carrier or racing pigeons", having the name of its owner stamped upon its wing or tail or bearing upon its leg a band or ring with the name or initials of the owner or an identification or registration number stamped thereon.

Sec. 315. RCW 9.61.200 and 1987 c 456 s 26 are each amended to read as follows:

It is a class 2 civil infraction for any person other than the owner thereof or his or her authorized agent to remove or alter any stamp, leg band, ring, or other mark of identification attached to any Antwerp Messenger or Racing Pigeon.

Sec. 316. RCW 9.61.240 and 1967 c 16 s 2 are each amended to read as follows:

Any person who knowingly permits any telephone under his or her control to be used for any purpose prohibited by RCW 9.61.230 shall be guilty of a misdemeanor.

Sec. 317. RCW 9.62.020 and 1909 c 249 s 124 are each amended to read as follows:

Every person who shall institute or prosecute any action or other proceeding in the name of another, without his or her consent and contrary to law, shall be guilty of a gross misdemeanor.

Sec. 318. RCW 9.68.070 and 1992 c 5 s 4 are each amended to read as follows:

In any prosecution for violation of RCW 9.68.060, it shall be a defense that:

(1) If the violation pertains to a motion picture or sound recording, the minor was accompanied by a parent, parent's spouse, or guardian; or

(2) Such minor exhibited to the defendant a draft card, driver's license, birth certificate, or other official or an apparently official document purporting to establish such minor was over the age of eighteen years; or

(3) Such minor was accompanied by a person who represented himself or herself to be a parent, or the spouse of a parent, or a guardian of such minor, and the defendant in good faith relied upon such representation.

Sec. 319. RCW 9.68.080 and 1969 ex.s. c 256 s 16 are each amended to read as follows:

(1) It shall be unlawful for any minor to misrepresent his or her true age or his or her true status as the child, stepchild, or ward of a person accompanying him or her, for the purpose of purchasing or obtaining access to any material described in RCW 9.68.050.

(2) It shall be unlawful for any person accompanying such minor to misrepresent his or her true status as parent, spouse of a parent, or guardian of any minor for the purpose of enabling such minor to purchase or obtain access to material described in RCW 9.68.050.

Sec. 320. RCW 9.68.090 and 1992 c 5 s 3 are each amended to read as follows:

No retailer, wholesaler, or exhibitor is to be deprived of service from a wholesaler or wholesaler-distributor of books, magazines, motion pictures, sound recordings, or other materials or subjected to loss of his or her franchise or right to deal or exhibit as a result of his or her attempts to comply with this statute. Any publisher, distributor, or other person, or combination of such persons, which withdraws or attempts to withdraw a franchise or other right to sell at retail, wholesale or exhibit materials on account of the retailer's, wholesaler's, or exhibitor's attempts to comply with RCW 9.68.050 through 9.68.120 shall incur civil liability to such retailer, wholesaler, or exhibitor for threefold the actual damages resulting from such withdrawal or attempted withdrawal.

Sec. 321. RCW 9.68.110 and 1969 ex.s. c 256 s 19 are each amended to read as follows:

The provisions of RCW 9.68.050 through 9.68.120 shall not apply to acts done in the scope of his or her employment by a motion picture operator or projectionist employed by the owner or manager of a theatre or other place for the showing of motion pictures, unless the motion picture operator or projectionist has a financial interest in such theatre or place wherein he or she is so employed or unless he or she caused to be performed or exhibited such performance or motion picture without the knowledge and consent of the manager or owner of the theatre or other place of showing.

Sec. 322. RCW 9.68.130 and 1975 1st ex.s. c 156 s 1 are each amended to read as follows:

(1) A person is guilty of unlawful display of sexually explicit material if he or she knowingly exhibits such material on a viewing screen so that the sexually explicit material is easily visible from a public thoroughfare, park or playground or from one or more family dwelling units.

(2) "Sexually explicit material" as that term is used in this section means any pictorial material displaying direct physical stimulation of unclothed genitals, masturbation, sodomy (i.e. bestiality or oral or anal intercourse), flagellation or torture in the context of a sexual relationship, or emphasizing the depiction of adult human genitals: PROVIDED HOWEVER, That works of art or of anthropological significance shall not be deemed to be within the foregoing definition.

(3) Any person who violates subsection (1) of this section shall be guilty of a misdemeanor.

Sec. 323. RCW 9.73.010 and 1909 c 249 s 410 are each amended to read as follows:

Every person who shall wrongfully obtain or attempt to obtain, any knowledge of a telegraphic message, by connivance with the clerk, operator, messenger, or other employee of a telegraph company, and every clerk, operator, messenger, or other employee of such company who shall (~~willfully~~) willfully divulge to any but the person for whom it was intended, any telegraphic message or dispatch intrusted to him or her for transmission or delivery, or the nature or contents thereof, or shall (~~willfully~~) willfully refuse, neglect, or delay duly to transmit or deliver the same, shall be guilty of a misdemeanor.

Sec. 324. RCW 9.73.060 and 1977 ex.s. c 363 s 2 are each amended to read as follows:

Any person who, directly or by means of a detective agency or any other agent, violates the provisions of this chapter shall be subject to legal action for damages, to be brought by any other person claiming that a violation of this statute has injured his or her business, his or her person, or his or her reputation. A person so injured shall be entitled to actual damages, including mental pain and suffering endured by him or her on account of violation of the provisions of this chapter, or liquidated damages computed at the rate of one hundred dollars a day for each day of violation, not to exceed one thousand dollars, and a reasonable attorney's fee and other costs of litigation.

Sec. 325. RCW 9.73.090 and 2006 c 38 s 1 are each amended to read as follows:

(1) The provisions of RCW 9.73.030 through 9.73.080 shall not apply to police, fire, emergency medical service, emergency communication center, and poison center personnel in the following instances:

(a) Recording incoming telephone calls to police and fire stations, licensed emergency medical service providers, emergency communication centers, and poison centers;

(b) Video and/or sound recordings may be made of arrested persons by police officers responsible for making arrests or holding persons in custody before their first appearance in court. Such video and/or sound recordings shall conform strictly to the following:

(i) The arrested person shall be informed that such recording is being made and the statement so informing him or her shall be included in the recording;

(ii) The recording shall commence with an indication of the time of the beginning thereof and terminate with an indication of the time thereof;

(iii) At the commencement of the recording the arrested person shall be fully informed of his or her constitutional rights, and such statements informing him or her shall be included in the recording;

(iv) The recordings shall only be used for valid police or court activities;

(c) Sound recordings that correspond to video images recorded by video cameras mounted in law enforcement vehicles. All law enforcement officers wearing a sound recording device that makes recordings corresponding to videos recorded by video cameras mounted in law enforcement vehicles must be in uniform. A sound recording device that makes a recording pursuant to this subsection (1)(c) must be operated simultaneously with the video camera when the operating system has been activated for an event. No sound recording device may be intentionally turned off by the law enforcement officer during the

recording of an event. Once the event has been captured, the officer may turn off the audio recording and place the system back into "pre-event" mode.

No sound or video recording made under this subsection (1)(c) may be duplicated and made available to the public by a law enforcement agency subject to this section until final disposition of any criminal or civil litigation which arises from the event or events which were recorded. Such sound recordings shall not be divulged or used by any law enforcement agency for any commercial purpose.

A law enforcement officer shall inform any person being recorded by sound under this subsection (1)(c) that a sound recording is being made and the statement so informing the person shall be included in the sound recording, except that the law enforcement officer is not required to inform the person being recorded if the person is being recorded under exigent circumstances. A law enforcement officer is not required to inform a person being recorded by video under this subsection (1)(c) that the person is being recorded by video.

(2) It shall not be unlawful for a law enforcement officer acting in the performance of the officer's official duties to intercept, record, or disclose an oral communication or conversation where the officer is a party to the communication or conversation or one of the parties to the communication or conversation has given prior consent to the interception, recording, or disclosure: PROVIDED, That prior to the interception, transmission, or recording the officer shall obtain written or telephonic authorization from a judge or magistrate, who shall approve the interception, recording, or disclosure of communications or conversations with a nonconsenting party for a reasonable and specified period of time, if there is probable cause to believe that the nonconsenting party has committed, is engaged in, or is about to commit a felony: PROVIDED HOWEVER, That if such authorization is given by telephone the authorization and officer's statement justifying such authorization must be electronically recorded by the judge or magistrate on a recording device in the custody of the judge or magistrate at the time transmitted and the recording shall be retained in the court records and reduced to writing as soon as possible thereafter.

Any recording or interception of a communication or conversation incident to a lawfully recorded or intercepted communication or conversation pursuant to this subsection shall be lawful and may be divulged.

All recordings of communications or conversations made pursuant to this subsection shall be retained for as long as any crime may be charged based on the events or communications or conversations recorded.

(3) Communications or conversations authorized to be intercepted, recorded, or disclosed by this section shall not be inadmissible under RCW 9.73.050.

(4) Authorizations issued under subsection (2) of this section shall be effective for not more than seven days, after which period the issuing authority may renew or continue the authorization for additional periods not to exceed seven days.

(5) If the judge or magistrate determines that there is probable cause to believe that the communication or conversation concerns the unlawful manufacture, delivery, sale, or possession with intent to manufacture, deliver, or sell, controlled substances as defined in chapter 69.50 RCW, or legend drugs as

defined in chapter 69.41 RCW, or imitation controlled substances as defined in chapter 69.52 RCW, the judge or magistrate may authorize the interception, transmission, recording, or disclosure of communications or conversations under subsection (2) of this section even though the true name of the nonconsenting party, or the particular time and place for the interception, transmission, recording, or disclosure, is not known at the time of the request, if the authorization describes the nonconsenting party and subject matter of the communication or conversation with reasonable certainty under the circumstances. Any such communication or conversation may be intercepted, transmitted, recorded, or disclosed as authorized notwithstanding a change in the time or location of the communication or conversation after the authorization has been obtained or the presence of or participation in the communication or conversation by any additional party not named in the authorization.

Authorizations issued under this subsection shall be effective for not more than fourteen days, after which period the issuing authority may renew or continue the authorization for an additional period not to exceed fourteen days.

Sec. 326. RCW 9.73.130 and 1977 ex.s. c 363 s 6 are each amended to read as follows:

Each application for an authorization to record communications or conversations pursuant to RCW 9.73.090 as now or hereafter amended shall be made in writing upon oath or affirmation and shall state:

- (1) The authority of the applicant to make such application;
- (2) The identity and qualifications of the investigative or law enforcement officers or agency for whom the authority to record a communication or conversation is sought and the identity of whoever authorized the application;
- (3) A particular statement of the facts relied upon by the applicant to justify his or her belief that an authorization should be issued, including:
 - (a) The identity of the particular person, if known, committing the offense and whose communications or conversations are to be recorded;
 - (b) The details as to the particular offense that has been, is being, or is about to be committed;
 - (c) The particular type of communication or conversation to be recorded and a showing that there is probable cause to believe such communication will be communicated on the wire communication facility involved or at the particular place where the oral communication is to be recorded;
 - (d) The character and location of the particular wire communication facilities involved or the particular place where the oral communication is to be recorded;
 - (e) A statement of the period of time for which the recording is required to be maintained, if the character of the investigation is such that the authorization for recording should not automatically terminate when the described type of communication or conversation has been first obtained, a particular statement of facts establishing probable cause to believe that additional communications of the same type will occur thereafter;
 - (f) A particular statement of facts showing that other normal investigative procedures with respect to the offense have been tried and have failed or reasonably appear to be unlikely to succeed if tried or to be too dangerous to employ;

(4) Where the application is for the renewal or extension of an authorization, a particular statement of facts showing the results thus far obtained from the recording, or a reasonable explanation of the failure to obtain such results;

(5) A complete statement of the facts concerning all previous applications, known to the individual authorizing and to the individual making the application, made to any court for authorization to record a wire or oral communication involving any of the same facilities or places specified in the application or involving any person whose communication is to be intercepted, and the action taken by the court on each application; and

(6) Such additional testimony or documentary evidence in support of the application as the judge may require.

Sec. 327. RCW 9.73.140 and 1977 ex.s. c 363 s 7 are each amended to read as follows:

Within a reasonable time but not later than thirty days after the termination of the period of the authorization or of extensions or renewals thereof, or the date of the denial of an authorization applied for under RCW 9.73.090 as now or hereafter amended, the issuing authority shall cause to be served on the person named in the authorization or application for an authorization, and such other parties to the recorded communications as the judge may in his or her discretion determine to be in the interest of justice, an inventory which shall include:

(1) Notice of the entry of the authorization or the application for an authorization which has been denied under RCW 9.73.090 as now or hereafter amended;

(2) The date of the entry of the authorization or the denial of an authorization applied for under RCW 9.73.090 as now or hereafter amended;

(3) The period of authorized or disapproved recording; and

(4) The fact that during the period wire or oral communications were or were not recorded.

The issuing authority, upon the filing of a motion, may in its discretion make available to such person or his or her attorney for inspection such portions of the recorded communications, applications and orders as the court determines to be in the interest of justice. On an ex parte showing of good cause to the court the serving of the inventory required by this section may be postponed or dispensed with.

Sec. 328. RCW 9.81.090 and 1971 c 81 s 44 are each amended to read as follows:

Reasonable grounds on all the evidence to believe that any person is a subversive person, as defined in this chapter, shall be cause for discharge from any appointive office or other position of profit or trust in the government of or in the administration of the business of this state, or of any county, municipality or other political subdivision of this state, or any agency thereof. The attorney general and the personnel director, and the civil service commission of any county, city, or other political subdivision of this state, shall, by appropriate rules or regulations, prescribe that persons charged with being subversive persons, as defined in this chapter, shall have the right of reasonable notice, date, time, and place of hearing, opportunity to be heard by himself or herself and witnesses on his or her behalf, to be represented by counsel, to be confronted by witnesses against him or her, the right to cross-examination, and such other rights which

are in accordance with the procedures prescribed by law for the discharge of such person for other reasons. Every person and every board, commission, council, department, or other agency of the state of Washington or any political subdivision thereof having responsibility for the appointment, employment, or supervision of public employees not covered by the classified service in this section referred to, shall establish rules or procedures similar to those required herein for classified services for a hearing for any person charged with being a subversive person, as defined in this chapter, after notice and opportunity to be heard. Every employing authority discharging any person pursuant to any provision of this chapter, shall promptly report to the special assistant attorney general in charge of subversive activities the fact of and the circumstances surrounding such discharge. Any person discharged under the provisions of this chapter shall have the right within thirty days thereafter to appeal to the superior court of the county wherein said person may reside or wherein he or she may have been employed for determination by said court as to whether or not the discharge appealed from was justified under the provisions of this chapter. The court shall regularly hear and determine such appeals and the decision of the superior court may be appealed to the supreme court or the court of appeals of the state of Washington as in civil cases. Any person appealing to the superior court may be entitled to trial by jury if he or she so elects.

Sec. 329. RCW 9.91.010 and 1953 c 87 s 1 are each amended to read as follows:

Terms used in this section shall have the following definitions:

(1)(a) "Every person" shall be construed to include any owner, lessee, proprietor, manager, agent or employee whether one or more natural persons, partnerships, associations, organizations, corporations, cooperatives, legal representatives, trustees, receivers, of this state and its political subdivisions, boards and commissions, engaged in or exercising control over the operation of any place of public resort, accommodation, assemblage, or amusement.

(b) "Deny" is hereby defined to include any act which directly or indirectly, or by subterfuge, by a person or his or her agent or employee, results or is intended or calculated to result in whole or in part in any discrimination, distinction, restriction, or unequal treatment, or the requiring of any person to pay a larger sum than the uniform rates charged other persons, or the refusing or withholding from any person the admission, patronage, custom, presence, frequenting, dwelling, staying, or lodging in any place of public resort, accommodation, assemblage, or amusement except for conditions and limitations established by law and applicable alike to all persons, regardless of race, creed, or color.

(c) "Full enjoyment of" shall be construed to include the right to purchase any service, commodity, or article of personal property offered or sold on, or by, any establishment to the public, and the admission of any person to accommodations, advantages, facilities, or privileges of any place of public resort, accommodation, assemblage, or amusement, without acts directly or indirectly causing persons of any particular race, creed, or color, to be treated as not welcome, accepted, desired, or solicited.

(d) "Any place of public resort, accommodation, assemblage, or amusement" is hereby defined to include, but not to be limited to, any public place, licensed or unlicensed, kept for gain, hire or reward, or where charges are

made for admission, service, occupancy or use of any property or facilities, whether conducted for the entertainment, housing, or lodging of transient guests, or for the benefit, use or accommodation of those seeking health, recreation, or rest, or for the sale of goods and merchandise, or for the rendering of personal services, or for public conveyance or transportation on land, water or in the air, including the stations and terminals thereof and the garaging of vehicles, or where food or beverages of any kind are sold for consumption on the premises, or where public amusement, entertainment, sports, or recreation of any kind is offered with or without charge, or where medical service or care is made available, or where the public gathers, congregates, or assembles for amusement, recreation or public purposes, or public halls, public elevators, and public washrooms of buildings and structures occupied by two or more tenants, or by the owner and one or more tenants, or any public library or any educational institution wholly or partially supported by public funds, or schools of special instruction, or nursery schools, or day care centers or children's camps; nothing herein contained shall be construed to include, or apply to, any institute, bona fide club, or place of accommodation, which is by its nature distinctly private provided that where public use is permitted that use shall be covered by this section; nor shall anything herein contained apply to any educational facility operated or maintained by a bona fide religious or sectarian institution; and the right of a natural parent in *loco parentis* to direct the education and upbringing of a child under his or her control is hereby affirmed.

(2) Every person who denies to any other person because of race, creed, or color, the full enjoyment of any of the accommodations, advantages, facilities, or privileges of any place of public resort, accommodation, assemblage, or amusement, shall be guilty of a misdemeanor.

Sec. 330. RCW 9.92.062 and 1971 ex.s. c 188 s 1 are each amended to read as follows:

In all cases prior to August 9, 1971, wherein the execution of sentence has been suspended pursuant to RCW 9.92.060, such person may apply to the court by which he or she was convicted and sentenced to establish a definite termination date for the suspended sentence. The court shall set a date no later than the time the original sentence would have elapsed and may provide for an earlier termination of the suspended sentence.

Sec. 331. RCW 9.92.080 and 1981 c 136 s 35 are each amended to read as follows:

(1) Whenever a person while under sentence of felony shall commit another felony and be sentenced to another term of imprisonment, such latter term shall not begin until the expiration of all prior terms: PROVIDED, That any person granted probation pursuant to the provisions of RCW 9.95.210 and/or 9.92.060 shall not be considered to be under sentence of a felony for the purposes of this subsection.

(2) Whenever a person is convicted of two or more offenses which arise from a single act or omission, the sentences imposed therefor shall run concurrently, unless the court, in pronouncing sentence, expressly orders the service of said sentences to be consecutive.

(3) In all other cases, whenever a person is convicted of two or more offenses arising from separate and distinct acts or omissions, and not otherwise

governed by the provisions of subsections (1) and (2) of this section, the sentences imposed therefor shall run consecutively, unless the court, in pronouncing the second or other subsequent sentences, expressly orders concurrent service thereof.

(4) The sentencing court may require the secretary of corrections, or his or her designee, to provide information to the court concerning the existence of all prior judgments against the defendant, the terms of imprisonment imposed, and the status thereof.

Sec. 332. RCW 9.92.110 and 1909 c 249 s 36 are each amended to read as follows:

Every person sentenced to imprisonment in any penal institution shall be under the protection of the law, and any unauthorized injury to his or her person shall be punished in the same manner as if he or she were not so convicted or sentenced. A conviction of crime shall not work a forfeiture of any property, real or personal, or of any right or interest therein. All forfeitures in the nature of deodands, or in case of suicide or where a person flees from justice, are abolished.

Sec. 333. RCW 9.92.120 and 1909 c 249 s 37 are each amended to read as follows:

The conviction of a public officer of any felony or malfeasance in office shall entail, in addition to such other penalty as may be imposed, the forfeiture of his or her office, and shall disqualify him or her from ever afterward holding any public office in this state.

Sec. 334. RCW 9.94A.010 and 1999 c 196 s 1 are each amended to read as follows:

The purpose of this chapter is to make the criminal justice system accountable to the public by developing a system for the sentencing of felony offenders which structures, but does not eliminate, discretionary decisions affecting sentences, and to:

- (1) Ensure that the punishment for a criminal offense is proportionate to the seriousness of the offense and the offender's criminal history;
- (2) Promote respect for the law by providing punishment which is just;
- (3) Be commensurate with the punishment imposed on others committing similar offenses;
- (4) Protect the public;
- (5) Offer the offender an opportunity to improve (~~him~~) himself or herself;
- (6) Make frugal use of the state's and local governments' resources; and
- (7) Reduce the risk of reoffending by offenders in the community.

Sec. 335. RCW 9.94A.880 and 1981 c 137 s 25 are each amended to read as follows:

(1) The clemency and pardons board is established as a board within the office of the governor. The board consists of five members appointed by the governor, subject to confirmation by the senate.

(2) Members of the board shall serve terms of four years and until their successors are appointed and confirmed. However, the governor shall stagger the terms by appointing one of the initial members for a term of one year, one for a term of two years, one for a term of three years, and two for terms of four years.

(3) The board shall elect a ~~((chairman))~~ chair from among its members and shall adopt bylaws governing the operation of the board.

(4) Members of the board shall receive no compensation but shall be reimbursed for travel expenses as provided in RCW 43.03.050 and 43.03.060 as now existing or hereafter amended.

(5) The attorney general shall provide a staff as needed for the operation of the board.

Sec. 336. RCW 9.95.003 and 2007 c 362 s 1 are each amended to read as follows:

The board shall consist of a ~~((chairman))~~ chair and four other members, each of whom shall be appointed by the governor with the consent of the senate. Each member shall hold office for a term of five years, and until his or her successor is appointed and qualified. The terms shall expire on April 15th of the expiration year. Vacancies in the membership of the board shall be filled by appointment by the governor with the consent of the senate. In the event of the inability of any member to act, the governor shall appoint some competent person to act in his or her stead during the continuance of such inability. The members shall not be removable during their respective terms except for cause determined by the superior court of Thurston county. The governor in appointing the members shall designate one of them to serve as ~~((chairman))~~ chair at the governor's pleasure. The appointed ~~((chairman))~~ chair shall serve as a fully participating board member and as the director of the agency.

The members of the board and its officers and employees shall not engage in any other business or profession or hold any other public office without the prior approval of the executive ethics board indicating compliance with RCW 42.52.020, 42.52.030, 42.52.040, and 42.52.120; nor shall they, at the time of appointment or employment or during their incumbency, serve as the representative of any political party on an executive committee or other governing body thereof, or as an executive officer or employee of any political committee or association. The members of the board shall each severally receive salaries fixed by the governor in accordance with the provisions of RCW 43.03.040, and in addition shall receive travel expenses incurred in the discharge of their official duties in accordance with RCW 43.03.050 and 43.03.060.

The board may employ, and fix, with the approval of the governor, the compensation of and prescribe the duties of a senior administrative officer and such officers, employees, and assistants as may be necessary, and provide necessary quarters, supplies, and equipment.

Sec. 337. RCW 9.95.007 and 1986 c 224 s 5 are each amended to read as follows:

The board may meet and transact business in panels. Each board panel shall consist of at least two members of the board. In all matters concerning the internal affairs of the board and policy-making decisions, a majority of the full board must concur in such matters. The ~~((chairman))~~ chair of the board with the consent of a majority of the board may designate any two members to exercise all the powers and duties of the board in connection with any hearing before the board. If the two members so designated cannot unanimously agree as to the disposition of the hearing assigned to them, such hearing shall be reheard by the

full board. All actions of the full board shall be by concurrence of a majority of the board members.

Sec. 338. RCW 9.95.030 and 1999 c 143 s 17 are each amended to read as follows:

At the time the convicted person is transported to the custody of the department of corrections, the indeterminate sentence review board shall obtain from the sentencing judge and the prosecuting attorney, a statement of all the facts concerning the convicted person's crime and any other information of which they may be possessed relative to him or her, and the sentencing judge and the prosecuting attorney shall furnish the board with such information. The sentencing judge and prosecuting attorney shall indicate to the board, for its guidance, what, in their judgment, should be the duration of the convicted person's imprisonment.

Sec. 339. RCW 9.95.063 and 1971 ex.s. c 86 s 1 are each amended to read as follows:

If a defendant who has been imprisoned during the pendency of any posttrial proceeding in any state or federal court shall be again convicted upon a new trial resulting from any such proceeding, the period of his or her former imprisonment shall be deducted by the superior court from the period of imprisonment to be fixed on the last verdict of conviction.

Sec. 340. RCW 9.95.200 and 1981 c 136 s 41 are each amended to read as follows:

After conviction by plea or verdict of guilty of any crime, the court upon application or its own motion, may summarily grant or deny probation, or at a subsequent time fixed may hear and determine, in the presence of the defendant, the matter of probation of the defendant, and the conditions of such probation, if granted. The court may, in its discretion, prior to the hearing on the granting of probation, refer the matter to the secretary of corrections or such officers as the secretary may designate for investigation and report to the court at a specified time, upon the circumstances surrounding the crime and concerning the defendant, his or her prior record, and his or her family surroundings and environment.

Sec. 341. RCW 9.95.330 and 1981 c 136 s 46 are each amended to read as follows:

The department of corrections may accept any devise, bequest, gift, grant, or contribution made for the purposes of RCW 9.95.310 through 9.95.370 and the secretary of corrections or his or her designee may make expenditures, or approve expenditures by local parole or probation officers, therefrom for the purposes of RCW 9.95.310 through 9.95.370 in accordance with the rules of the department of corrections.

Sec. 342. RCW 9.96.010 and 1961 c 187 s 2 are each amended to read as follows:

Whenever the governor shall grant a pardon to a person convicted of an infamous crime, or whenever the maximum term of imprisonment for which any such person was committed is about to expire or has expired, and such person has not otherwise had his or her civil rights restored, the governor shall have the power, in his or her discretion, to restore to such person his or her civil rights in the manner as in this chapter provided.

Sec. 343. RCW 9.96.020 and 1931 c 19 s 2 are each amended to read as follows:

Whenever the governor shall determine to restore his or her civil rights to any person convicted of an infamous crime in any superior court of this state, he or she shall execute and file in the office of the secretary of state an instrument in writing in substantially the following form:

"To the People of the State of Washington
Greeting:
I, the undersigned Governor of the State of Washington, by virtue of the power vested in my office by the constitution and laws of the State of Washington, do by these presents restore to his civil rights forfeited by him (or her) by reason of his (or her) conviction of the crime of (naming it) in the Superior Court for the County of, on to-wit: The day of, 19
Dated the day of, 19
(Signed)
Governor of Washington."

Sec. 344. RCW 9.96.030 and 1931 c 19 s 3 are each amended to read as follows:

Upon the filing of an instrument restoring civil rights in his or her office, it shall be the duty of the secretary of state to transmit a duly certified copy thereof to the clerk of the superior court named therein, who shall record the same in the journal of the court and index the same in the execution docket of the cause in which the conviction was had.

Sec. 345. RCW 9.98.010 and 1999 c 143 s 33 are each amended to read as follows:

(1) Whenever a person has entered upon a term of imprisonment in a penal or correctional institution of this state, and whenever during the continuance of the term of imprisonment there is pending in this state any untried indictment, information, or complaint against the prisoner, he or she shall be brought to trial within one hundred twenty days after he or she shall have caused to be delivered to the prosecuting attorney and the superior court of the county in which the indictment, information, or complaint is pending written notice of the place of his or her imprisonment and his or her request for a final disposition to be made of the indictment, information, or complaint: PROVIDED, That for good cause shown in open court, the prisoner or his or her counsel shall have the right to be present, the court having jurisdiction of the matter may grant any necessary or reasonable continuance. The request of the prisoner shall be accompanied by a certificate of the superintendent having custody of the prisoner, stating the term of commitment under which the prisoner is being held, the time already served, the time remaining to be served on the sentence, the amount of good time earned, the time of parole eligibility of the prisoner, and any decisions of the indeterminate sentence review board relating to the prisoner.

(2) The written notice and request for final disposition referred to in subsection (1) (~~hereof~~) of this section shall be given or sent by the prisoner to the superintendent having custody of him or her, who shall promptly forward it together with the certificate to the appropriate prosecuting attorney and superior court by certified mail, return receipt requested.

(3) The superintendent having custody of the prisoner shall promptly inform him or her in writing of the source and contents of any untried indictment, information, or complaint against him or her concerning which the superintendent has knowledge and of his or her right to make a request for final disposition thereof.

(4) Escape from custody by the prisoner subsequent to his or her execution of the request for final disposition referred to in subsection (1) (~~hereof~~) of this section shall void the request.

Sec. 346. RCW 9.100.070 and 1967 c 34 s 7 are each amended to read as follows:

In order to implement Article IV(a) of the agreement on detainees, and in furtherance of its purposes, the appropriate authorities having custody of the prisoner shall, promptly upon receipt of the officer's written request, notify the prisoner and the governor in writing that a request for temporary custody has been made and such notification shall describe the source and contents of said request. The authorities having custody of the prisoner shall also advise him or her in writing of his or her rights to counsel, to make representations to the governor within thirty days, and to contest the legality of his or her delivery.

Sec. 347. RCW 9A.04.050 and 1975 1st ex.s. c 260 s 9A.04.050 are each amended to read as follows:

Children under the age of eight years are incapable of committing crime. Children of eight and under twelve years of age are presumed to be incapable of committing crime, but this presumption may be removed by proof that they have sufficient capacity to understand the act or neglect, and to know that it was wrong. Whenever in legal proceedings it becomes necessary to determine the age of a child, he or she may be produced for inspection, to enable the court or jury to determine the age thereby; and the court may also direct his or her examination by one or more physicians, whose opinion shall be competent evidence upon the question of his or her age.

Sec. 348. RCW 9A.04.070 and 1975 1st ex.s. c 260 s 9A.04.070 are each amended to read as follows:

Every person, regardless of whether or not he or she is an inhabitant of this state, may be tried and punished under the laws of this state for an offense committed by him or her therein, except when such offense is cognizable exclusively in the courts of the United States.

Sec. 349. RCW 9A.04.100 and 1975 1st ex.s. c 260 s 9A.04.100 are each amended to read as follows:

(1) Every person charged with the commission of a crime is presumed innocent unless proved guilty. No person may be convicted of a crime unless each element of such crime is proved by competent evidence beyond a reasonable doubt.

(2) When a crime has been proven against a person, and there exists a reasonable doubt as to which of two or more degrees he or she is guilty, he or she shall be convicted only of the lowest degree.

Sec. 350. RCW 9A.04.110 and 2007 c 79 s 3 are each amended to read as follows:

In this title unless a different meaning plainly is required:

(1) "Acted" includes, where relevant, omitted to act;

(2) "Actor" includes, where relevant, a person failing to act;

(3) "Benefit" is any gain or advantage to the beneficiary, including any gain or advantage to a third person pursuant to the desire or consent of the beneficiary;

(4)(a) "Bodily injury," "physical injury," or "bodily harm" means physical pain or injury, illness, or an impairment of physical condition;

(b) "Substantial bodily harm" means bodily injury which involves a temporary but substantial disfigurement, or which causes a temporary but substantial loss or impairment of the function of any bodily part or organ, or which causes a fracture of any bodily part;

(c) "Great bodily harm" means bodily injury which creates a probability of death, or which causes significant serious permanent disfigurement, or which causes a significant permanent loss or impairment of the function of any bodily part or organ;

(5) "Building," in addition to its ordinary meaning, includes any dwelling, fenced area, vehicle, railway car, cargo container, or any other structure used for lodging of persons or for carrying on business therein, or for the use, sale, or deposit of goods; each unit of a building consisting of two or more units separately secured or occupied is a separate building;

(6) "Deadly weapon" means any explosive or loaded or unloaded firearm, and shall include any other weapon, device, instrument, article, or substance, including a "vehicle" as defined in this section, which, under the circumstances in which it is used, attempted to be used, or threatened to be used, is readily capable of causing death or substantial bodily harm;

(7) "Dwelling" means any building or structure, though movable or temporary, or a portion thereof, which is used or ordinarily used by a person for lodging;

(8) "Government" includes any branch, subdivision, or agency of the government of this state and any county, city, district, or other local governmental unit;

(9) "Governmental function" includes any activity which a public servant is legally authorized or permitted to undertake on behalf of a government;

(10) "Indicted" and "indictment" include "informed against" and "information," and "informed against" and "information" include "indicted" and "indictment";

(11) "Judge" includes every judicial officer authorized alone or with others, to hold or preside over a court;

(12) "Malice" and "maliciously" shall import an evil intent, wish, or design to vex, annoy, or injure another person. Malice may be inferred from an act done in ~~((willful))~~ willful disregard of the rights of another, or an act wrongfully done without just cause or excuse, or an act or omission of duty betraying a ~~((willful))~~ willful disregard of social duty;

(13) "Officer" and "public officer" means a person holding office under a city, county, or state government, or the federal government who performs a public function and in so doing is vested with the exercise of some sovereign power of government, and includes all assistants, deputies, clerks, and employees of any public officer and all persons lawfully exercising or assuming to exercise any of the powers or functions of a public officer;

(14) "Omission" means a failure to act;

(15) "Peace officer" means a duly appointed city, county, or state law enforcement officer;

(16) "Pecuniary benefit" means any gain or advantage in the form of money, property, commercial interest, or anything else the primary significance of which is economic gain;

(17) "Person", "he or she", and "actor" include any natural person and, where relevant, a corporation, joint stock association, or an unincorporated association;

(18) "Place of work" includes but is not limited to all the lands and other real property of a farm or ranch in the case of an actor who owns, operates, or is employed to work on such a farm or ranch;

(19) "Prison" means any place designated by law for the keeping of persons held in custody under process of law, or under lawful arrest, including but not limited to any state correctional institution or any county or city jail;

(20) "Prisoner" includes any person held in custody under process of law, or under lawful arrest;

(21) "Projectile stun gun" means an electronic device that projects wired probes attached to the device that emit an electrical charge and that is designed and primarily employed to incapacitate a person or animal;

(22) "Property" means anything of value, whether tangible or intangible, real or personal;

(23) "Public servant" means any person other than a witness who presently occupies the position of or has been elected, appointed, or designated to become any officer or employee of government, including a legislator, judge, judicial officer, juror, and any person participating as an advisor, consultant, or otherwise in performing a governmental function;

(24) "Signature" includes any memorandum, mark, or sign made with intent to authenticate any instrument or writing, or the subscription of any person thereto;

(25) "Statute" means the Constitution or an act of the legislature or initiative or referendum of this state;

(26) "Strangulation" means to compress a person's neck, thereby obstructing the person's blood flow or ability to breathe, or doing so with the intent to obstruct the person's blood flow or ability to breathe;

(27) "Threat" means to communicate, directly or indirectly the intent:

(a) To cause bodily injury in the future to the person threatened or to any other person; or

(b) To cause physical damage to the property of a person other than the actor; or

(c) To subject the person threatened or any other person to physical confinement or restraint; or

(d) To accuse any person of a crime or cause criminal charges to be instituted against any person; or

(e) To expose a secret or publicize an asserted fact, whether true or false, tending to subject any person to hatred, contempt, or ridicule; or

(f) To reveal any information sought to be concealed by the person threatened; or

(g) To testify or provide information or withhold testimony or information with respect to another's legal claim or defense; or

(h) To take wrongful action as an official against anyone or anything, or wrongfully withhold official action, or cause such action or withholding; or

(i) To bring about or continue a strike, boycott, or other similar collective action to obtain property which is not demanded or received for the benefit of the group which the actor purports to represent; or

(j) To do any other act which is intended to harm substantially the person threatened or another with respect to his or her health, safety, business, financial condition, or personal relationships;

(28) "Vehicle" means a "motor vehicle" as defined in the vehicle and traffic laws, any aircraft, or any vessel equipped for propulsion by mechanical means or by sail;

(29) Words in the present tense shall include the future tense; and in the masculine shall include the feminine and neuter genders; and in the singular shall include the plural; and in the plural shall include the singular.

Sec. 351. RCW 9A.08.020 and 1975-'76 2nd ex.s. c 38 s 1 are each amended to read as follows:

(1) A person is guilty of a crime if it is committed by the conduct of another person for which he or she is legally accountable.

(2) A person is legally accountable for the conduct of another person when:

(a) Acting with the kind of culpability that is sufficient for the commission of the crime, he or she causes an innocent or irresponsible person to engage in such conduct; or

(b) He or she is made accountable for the conduct of such other person by this title or by the law defining the crime; or

(c) He or she is an accomplice of such other person in the commission of the crime.

(3) A person is an accomplice of another person in the commission of a crime if:

(a) With knowledge that it will promote or facilitate the commission of the crime, he or she:

(i) Solicits, commands, encourages, or requests such other person to commit it; or

(ii) Aids or agrees to aid such other person in planning or committing it; or

(b) His or her conduct is expressly declared by law to establish his or her complicity.

(4) A person who is legally incapable of committing a particular crime himself or herself may be guilty thereof if it is committed by the conduct of another person for which he or she is legally accountable, unless such liability is inconsistent with the purpose of the provision establishing his or her incapacity.

(5) Unless otherwise provided by this title or by the law defining the crime, a person is not an accomplice in a crime committed by another person if:

(a) He or she is a victim of that crime; or

(b) He or she terminates his or her complicity prior to the commission of the crime, and either gives timely warning to the law enforcement authorities or otherwise makes a good faith effort to prevent the commission of the crime.

(6) A person legally accountable for the conduct of another person may be convicted on proof of the commission of the crime and of his or her complicity therein, though the person claimed to have committed the crime has not been

prosecuted or convicted or has been convicted of a different crime or degree of crime or has an immunity to prosecution or conviction or has been acquitted.

Sec. 352. RCW 9A.08.030 and 1975 1st ex.s. c 260 s 9A.08.030 are each amended to read as follows:

(1) As used in this section:

(a) "Agent" means any director, officer, or employee of a corporation, or any other person who is authorized to act on behalf of the corporation;

(b) "Corporation" includes a joint stock association;

(c) "High managerial agent" means an officer or director of a corporation or any other agent in a position of comparable authority with respect to the formulation of corporate policy or the supervision in a managerial capacity of subordinate employees.

(2) A corporation is guilty of an offense when:

(a) The conduct constituting the offense consists of an omission to discharge a specific duty of performance imposed on corporations by law; or

(b) The conduct constituting the offense is engaged in, authorized, solicited, requested, commanded, or tolerated by the board of directors or by a high managerial agent acting within the scope of his or her employment and on behalf of the corporation; or

(c) The conduct constituting the offense is engaged in by an agent of the corporation, other than a high managerial agent, while acting within the scope of his or her employment and in behalf of the corporation and (i) the offense is a gross misdemeanor or misdemeanor, or (ii) the offense is one defined by a statute which clearly indicates a legislative intent to impose such criminal liability on a corporation.

(3) A person is criminally liable for conduct constituting an offense which he or she performs or causes to be performed in the name of or on behalf of a corporation to the same extent as if such conduct were performed in his or her own name or behalf.

(4) Whenever a duty to act is imposed by law upon a corporation, any agent of the corporation who knows he or she has or shares primary responsibility for the discharge of the duty is criminally liable for a reckless or, if a high managerial agent, criminally negligent omission to perform the required act to the same extent as if the duty were by law imposed directly upon such agent.

(5) Every corporation, whether foreign or domestic, which shall violate any provision of RCW 9A.28.040, shall forfeit every right and franchise to do business in this state. The attorney general shall begin and conduct all actions and proceedings necessary to enforce the provisions of this subsection.

Sec. 353. RCW 9A.12.010 and 1975 1st ex.s. c 260 s 9A.12.010 are each amended to read as follows:

To establish the defense of insanity, it must be shown that:

(1) At the time of the commission of the offense, as a result of mental disease or defect, the mind of the actor was affected to such an extent that:

(a) He or she was unable to perceive the nature and quality of the act with which he or she is charged; or

(b) He or she was unable to tell right from wrong with reference to the particular act charged.

(2) The defense of insanity must be established by a preponderance of the evidence.

Sec. 354. RCW 9A.16.050 and 1975 1st ex.s. c 260 s 9A.16.050 are each amended to read as follows:

Homicide is also justifiable when committed either:

(1) In the lawful defense of the slayer, or his or her husband, wife, parent, child, brother, or sister, or of any other person in his or her presence or company, when there is reasonable ground to apprehend a design on the part of the person slain to commit a felony or to do some great personal injury to the slayer or to any such person, and there is imminent danger of such design being accomplished; or

(2) In the actual resistance of an attempt to commit a felony upon the slayer, in his or her presence, or upon or in a dwelling, or other place of abode, in which he or she is.

Sec. 355. RCW 9A.16.090 and 1975 1st ex.s. c 260 s 9A.16.090 are each amended to read as follows:

No act committed by a person while in a state of voluntary intoxication shall be deemed less criminal by reason of his or her condition, but whenever the actual existence of any particular mental state is a necessary element to constitute a particular species or degree of crime, the fact of his or her intoxication may be taken into consideration in determining such mental state.

Sec. 356. RCW 9A.28.030 and 1975 1st ex.s. c 260 s 9A.28.030 are each amended to read as follows:

(1) A person is guilty of criminal solicitation when, with intent to promote or facilitate the commission of a crime, he or she offers to give or gives money or other thing of value to another to engage in specific conduct which would constitute such crime or which would establish complicity of such other person in its commission or attempted commission had such crime been attempted or committed.

(2) Criminal solicitation shall be punished in the same manner as criminal attempt under RCW 9A.28.020.

Sec. 357. RCW 9A.32.060 and 1997 c 365 s 5 are each amended to read as follows:

(1) A person is guilty of manslaughter in the first degree when:

(a) He or she recklessly causes the death of another person; or

(b) He or she intentionally and unlawfully kills an unborn quick child by inflicting any injury upon the mother of such child.

(2) Manslaughter in the first degree is a class A felony.

Sec. 358. RCW 9A.32.070 and 1997 c 365 s 6 are each amended to read as follows:

(1) A person is guilty of manslaughter in the second degree when, with criminal negligence, he or she causes the death of another person.

(2) Manslaughter in the second degree is a class B felony.

Sec. 359. RCW 9A.36.031 and 2005 c 458 s 1 are each amended to read as follows:

(1) A person is guilty of assault in the third degree if he or she, under circumstances not amounting to assault in the first or second degree:

(a) With intent to prevent or resist the execution of any lawful process or mandate of any court officer or the lawful apprehension or detention of himself, herself, or another person, assaults another; or

(b) Assaults a person employed as a transit operator or driver, the immediate supervisor of a transit operator or driver, a mechanic, or a security officer, by a public or private transit company or a contracted transit service provider, while that person is performing his or her official duties at the time of the assault; or

(c) Assaults a school bus driver, the immediate supervisor of a driver, a mechanic, or a security officer, employed by a school district transportation service or a private company under contract for transportation services with a school district, while the person is performing his or her official duties at the time of the assault; or

(d) With criminal negligence, causes bodily harm to another person by means of a weapon or other instrument or thing likely to produce bodily harm; or

(e) Assaults a firefighter or other employee of a fire department, county fire marshal's office, county fire prevention bureau, or fire protection district who was performing his or her official duties at the time of the assault; or

(f) With criminal negligence, causes bodily harm accompanied by substantial pain that extends for a period sufficient to cause considerable suffering; or

(g) Assaults a law enforcement officer or other employee of a law enforcement agency who was performing his or her official duties at the time of the assault; or

(h) Assaults a peace officer with a projectile stun gun; or

(i) Assaults a nurse, physician, or health care provider who was performing his or her nursing or health care duties at the time of the assault. For purposes of this subsection: "Nurse" means a person licensed under chapter 18.79 RCW; "physician" means a person licensed under chapter 18.57 or 18.71 RCW; and "health care provider" means a person certified under chapter 18.71 or 18.73 RCW who performs emergency medical services or a person regulated under Title 18 RCW and employed by, or contracting with, a hospital licensed under chapter 70.41 RCW.

(2) Assault in the third degree is a class C felony.

Sec. 360. RCW 9A.36.060 and 1975 1st ex.s. c 260 s 9A.36.060 are each amended to read as follows:

(1) A person is guilty of promoting a suicide attempt when he or she knowingly causes or aids another person to attempt suicide.

(2) Promoting a suicide attempt is a class C felony.

Sec. 361. RCW 9A.36.070 and 1975 1st ex.s. c 260 s 9A.36.070 are each amended to read as follows:

(1) A person is guilty of coercion if by use of a threat he or she compels or induces a person to engage in conduct which the latter has a legal right to abstain from, or to abstain from conduct which he or she has a legal right to engage in.

(2) "Threat" as used in this section means:

(a) To communicate, directly or indirectly, the intent immediately to use force against any person who is present at the time; or

(b) Threats as defined in RCW 9A.04.110(~~((25))~~) (27) (a), (b), or (c).

(3) Coercion is a gross misdemeanor.

Sec. 362. RCW 9A.36.090 and 1982 c 185 s 1 are each amended to read as follows:

(1) Whoever knowingly and (~~willfully~~) willfully deposits for conveyance in the mail or for a delivery from any post office or by any letter carrier any letter, paper, writing, print, missive, or document containing any threat to take the life of or to inflict bodily harm upon the governor of the state or his or her immediate family, the governor-elect, the lieutenant governor, other officer next in the order of succession to the office of governor of the state, or the lieutenant governor-elect, or knowingly and (~~willfully~~) willfully otherwise makes any such threat against the governor, governor-elect, lieutenant governor, other officer next in the order of succession to the office of governor, or lieutenant governor-elect, shall be guilty of a class C felony.

(2) As used in this section, the term "governor-elect" and "lieutenant governor-elect" means such persons as are the successful candidates for the offices of governor and lieutenant governor, respectively, as ascertained from the results of the general election. As used in this section, the phrase "other officer next in the order of succession to the office of governor" means the person other than the lieutenant governor next in order of succession to the office of governor under Article 3, section 10 of the state Constitution.

(3) The Washington state patrol may investigate for violations of this section.

Sec. 363. RCW 9A.40.010 and 1975 1st ex.s. c 260 s 9A.40.010 are each amended to read as follows:

The following definitions apply in this chapter:

(1) "Restrain" means to restrict a person's movements without consent and without legal authority in a manner which interferes substantially with his or her liberty. Restraint is "without consent" if it is accomplished by (a) physical force, intimidation, or deception, or (b) any means including acquiescence of the victim, if he or she is a child less than sixteen years old or an incompetent person and if the parent, guardian, or other person or institution having lawful control or custody of him or her has not acquiesced.

(2) "Abduct" means to restrain a person by either (a) secreting or holding him or her in a place where he or she is not likely to be found, or (b) using or threatening to use deadly force;

(3) "Relative" means an ancestor, descendant, or sibling, including a relative of the same degree through marriage or adoption, or a spouse.

Sec. 364. RCW 9A.40.020 and 1975 1st ex.s. c 260 s 9A.40.020 are each amended to read as follows:

(1) A person is guilty of kidnapping in the first degree if he or she intentionally abducts another person with intent:

(a) To hold him or her for ransom or reward, or as a shield or hostage; or

(b) To facilitate commission of any felony or flight thereafter; or

(c) To inflict bodily injury on him or her; or

(d) To inflict extreme mental distress on him, her, or a third person; or

(e) To interfere with the performance of any governmental function.

(2) Kidnapping in the first degree is a class A felony.

Sec. 365. RCW 9A.40.040 and 1975 1st ex.s. c 260 s 9A.40.040 are each amended to read as follows:

(1) A person is guilty of unlawful imprisonment if he or she knowingly restrains another person.

(2) Unlawful imprisonment is a class C felony.

Sec. 366. RCW 9A.48.030 and 1975 1st ex.s. c 260 s 9A.48.030 are each amended to read as follows:

(1) A person is guilty of arson in the second degree if he or she knowingly and maliciously causes a fire or explosion which damages a building, or any structure or erection appurtenant to or joining any building, or any wharf, dock, machine, engine, automobile, or other motor vehicle, watercraft, aircraft, bridge, or trestle, or hay, grain, crop, or timber, whether cut or standing or any range land, or pasture land, or any fence, or any lumber, shingle, or other timber products, or any property.

(2) Arson in the second degree is a class B felony.

Sec. 367. RCW 9A.48.040 and 1975 1st ex.s. c 260 s 9A.48.040 are each amended to read as follows:

(1) A person is guilty of reckless burning in the first degree if he or she recklessly damages a building or other structure or any vehicle, railway car, aircraft, or watercraft or any hay, grain, crop, or timber whether cut or standing, by knowingly causing a fire or explosion.

(2) Reckless burning in the first degree is a class C felony.

Sec. 368. RCW 9A.48.050 and 1975 1st ex.s. c 260 s 9A.48.050 are each amended to read as follows:

(1) A person is guilty of reckless burning in the second degree if he or she knowingly causes a fire or explosion, whether on his or her own property or that of another, and thereby recklessly places a building or other structure, or any vehicle, railway car, aircraft, or watercraft, or any hay, grain, crop or timber, whether cut or standing, in danger of destruction or damage.

(2) Reckless burning in the second degree is a gross misdemeanor.

Sec. 369. RCW 9A.52.010 and 2004 c 69 s 1 are each amended to read as follows:

The following definitions apply in this chapter:

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

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

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

A license or privilege to enter or remain in a building which is only partly open to the public is not a license or privilege to enter or remain in that part of a building which is not open to the public. A person who enters or remains upon unimproved and apparently unused land, which is neither fenced nor otherwise enclosed in a manner designed to exclude intruders, does so with license and privilege unless notice against trespass is personally communicated to him or her by the owner of the land or some other authorized person, or unless notice is

given by posting in a conspicuous manner. Land that is used for commercial aquaculture or for growing an agricultural crop or crops, other than timber, is not unimproved and apparently unused land if a crop or any other sign of cultivation is clearly visible or if notice is given by posting in a conspicuous manner. Similarly, a field fenced in any manner is not unimproved and apparently unused land. A license or privilege to enter or remain on improved and apparently used land that is open to the public at particular times, which is neither fenced nor otherwise enclosed in a manner to exclude intruders, is not a license or privilege to enter or remain on the land at other times if notice of prohibited times of entry is posted in a conspicuous manner;

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

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

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

Sec. 370. RCW 9A.52.030 and 1989 2nd ex.s. c 1 s 2 are each amended to read as follows:

(1) A person is guilty of burglary in the second degree if, with intent to commit a crime against a person or property therein, he or she enters or remains unlawfully in a building other than a vehicle or a dwelling.

(2) Burglary in the second degree is a class B felony.

Sec. 371. RCW 9A.52.060 and 1975 1st ex.s. c 260 s 9A.52.060 are each amended to read as follows:

(1) Every person who shall make or mend or cause to be made or mended, or have in his or her possession, any engine, machine, tool, false key, pick lock, bit, nippers, or implement adapted, designed, or commonly used for the commission of burglary under circumstances evincing an intent to use or employ, or allow the same to be used or employed in the commission of a burglary, or knowing that the same is intended to be so used, shall be guilty of making or having burglar tools.

(2) Making or having burglar tools is a gross misdemeanor.

Sec. 372. RCW 9A.52.070 and 1979 ex.s. c 244 s 12 are each amended to read as follows:

(1) A person is guilty of criminal trespass in the first degree if he or she knowingly enters or remains unlawfully in a building.

(2) Criminal trespass in the first degree is a gross misdemeanor.

Sec. 373. RCW 9A.52.080 and 1979 ex.s. c 244 s 13 are each amended to read as follows:

(1) A person is guilty of criminal trespass in the second degree if he or she knowingly enters or remains unlawfully in or upon premises of another under circumstances not constituting criminal trespass in the first degree.

(2) Criminal trespass in the second degree is a misdemeanor.

Sec. 374. RCW 9A.52.090 and 1986 c 219 s 2 are each amended to read as follows:

In any prosecution under RCW 9A.52.070 and 9A.52.080, it is a defense that:

(1) A building involved in an offense under RCW 9A.52.070 was abandoned; or

(2) The premises were at the time open to members of the public and the actor complied with all lawful conditions imposed on access to or remaining in the premises; or

(3) The actor reasonably believed that the owner of the premises, or other person empowered to license access thereto, would have licensed him or her to enter or remain; or

(4) The actor was attempting to serve legal process which includes any document required or allowed to be served upon persons or property, by any statute, rule, ordinance, regulation, or court order, excluding delivery by the mails of the United States. This defense applies only if the actor did not enter into a private residence or other building not open to the public and the entry onto the premises was reasonable and necessary for service of the legal process.

Sec. 375. RCW 9A.52.095 and 1982 1st ex.s. c 47 s 13 are each amended to read as follows:

(1) A person is guilty of vehicle prowling in the first degree if, with intent to commit a crime against a person or property therein, he or she enters or remains unlawfully in a motor home, as defined in RCW 46.04.305, or in a vessel equipped for propulsion by mechanical means or by sail which has a cabin equipped with permanently installed sleeping quarters or cooking facilities.

(2) Vehicle prowling in the first degree is a class C felony.

Sec. 376. RCW 9A.52.100 and 1982 1st ex.s. c 47 s 14 are each amended to read as follows:

(1) A person is guilty of vehicle prowling in the second degree if, with intent to commit a crime against a person or property therein, he or she enters or remains unlawfully in a vehicle other than a motor home, as defined in RCW 46.04.305, or a vessel equipped for propulsion by mechanical means or by sail which has a cabin equipped with permanently installed sleeping quarters or cooking facilities.

(2) Vehicle prowling in the second degree is a gross misdemeanor.

Sec. 377. RCW 9A.56.120 and 1975 1st ex.s. c 260 s 9A.56.120 are each amended to read as follows:

(1) A person is guilty of extortion in the first degree if he or she commits extortion by means of a threat as defined in RCW 9A.04.110(~~((25))~~) (27) (a), (b), or (c).

(2) Extortion in the first degree is a class B felony.

Sec. 378. RCW 9A.56.180 and 1975-'76 2nd ex.s. c 38 s 11 are each amended to read as follows:

(1) A person is guilty of obscuring the identity of a machine if he or she knowingly:

(a) Obscures the manufacturer's serial number or any other distinguishing identification number or mark upon any vehicle, machine, engine, apparatus, appliance, or other device with intent to render it unidentifiable; or

(b) Possesses a vehicle, machine, engine, apparatus, appliance, or other device held for sale knowing that the serial number or other identification number or mark has been obscured.

(2) "Obscure" means to remove, deface, cover, alter, destroy, or otherwise render unidentifiable.

(3) Obscuring the identity of a machine is a gross misdemeanor.

Sec. 379. RCW 9A.56.190 and 1975 1st ex.s. c 260 s 9A.56.190 are each amended to read as follows:

A person commits robbery when he or she unlawfully takes personal property from the person of another or in his or her presence against his or her will by the use or threatened use of immediate force, violence, or fear of injury to that person or his or her property or the person or property of anyone. Such force or fear must be used to obtain or retain possession of the property, or to prevent or overcome resistance to the taking; in either of which cases the degree of force is immaterial. Such taking constitutes robbery whenever it appears that, although the taking was fully completed without the knowledge of the person from whom taken, such knowledge was prevented by the use of force or fear.

Sec. 380. RCW 9A.56.210 and 1975 1st ex.s. c 260 s 9A.56.210 are each amended to read as follows:

(1) A person is guilty of robbery in the second degree if he or she commits robbery.

(2) Robbery in the second degree is a class B felony.

Sec. 381. RCW 9A.60.010 and 1999 c 143 s 38 are each amended to read as follows:

The following definitions and the definitions of RCW 9A.56.010 are applicable in this chapter unless the context otherwise requires:

(1) "Written instrument" means: (a) Any paper, document, or other instrument containing written or printed matter or its equivalent; or (b) any access device, token, stamp, seal, badge, trademark, or other evidence or symbol of value, right, privilege, or identification;

(2) "Complete written instrument" means one which is fully drawn with respect to every essential feature thereof;

(3) "Incomplete written instrument" means one which contains some matter by way of content or authentication but which requires additional matter in order to render it a complete written instrument;

(4) To "falsely make" a written instrument means to make or draw a complete or incomplete written instrument which purports to be authentic, but which is not authentic either because the ostensible maker is fictitious or because, if real, he or she did not authorize the making or drawing thereof;

(5) To "falsely complete" a written instrument means to transform an incomplete written instrument into a complete one by adding or inserting matter, without the authority of anyone entitled to grant it;

(6) To "falsely alter" a written instrument means to change, without authorization by anyone entitled to grant it, a written instrument, whether complete or incomplete, by means of erasure, obliteration, deletion, insertion of new matter, transposition of matter, or in any other manner;

(7) "Forged instrument" means a written instrument which has been falsely made, completed, or altered.

Sec. 382. RCW 9A.60.020 and 2003 c 119 s 5 are each amended to read as follows:

- (1) A person is guilty of forgery if, with intent to injure or defraud:
 - (a) He or she falsely makes, completes, or alters a written instrument or;
 - (b) He or she possesses, utters, offers, disposes of, or puts off as true a written instrument which he or she knows to be forged.
- (2) In a proceeding under this section that is related to an identity theft under RCW 9.35.020, the crime will be considered to have been committed in any locality where the person whose means of identification or financial information was appropriated resides, or in which any part of the offense took place, regardless of whether the defendant was ever actually in that locality.
- (3) Forgery is a class C felony.

Sec. 383. RCW 9A.60.030 and 1975-'76 2nd ex.s. c 38 s 14 are each amended to read as follows:

- (1) A person is guilty of obtaining a signature by deception or duress if by deception or duress and with intent to defraud or deprive he or she causes another person to sign or execute a written instrument.
- (2) Obtaining a signature by deception or duress is a class C felony.

Sec. 384. RCW 9A.60.050 and 1975-'76 2nd ex.s. c 38 s 15 are each amended to read as follows:

- (1) A person is guilty of false certification, if, being an officer authorized to take a proof or acknowledgment of an instrument which by law may be recorded, he or she knowingly certifies falsely that the execution of such instrument was acknowledged by any party thereto or that the execution thereof was proved.
- (2) False certification is a gross misdemeanor.

Sec. 385. RCW 9A.64.010 and 1986 c 257 s 14 are each amended to read as follows:

- (1) A person is guilty of bigamy if he or she intentionally marries or purports to marry another person when either person has a living spouse.
- (2) In any prosecution under this section, it is a defense that at the time of the subsequent marriage or purported marriage:
 - (a) The actor reasonably believed that the prior spouse was dead; or
 - (b) A court had entered a judgment purporting to terminate or annul any prior disqualifying marriage and the actor did not know that such judgment was invalid; or
 - (c) The actor reasonably believed that he or she was legally eligible to marry.
- (3) The limitation imposed by RCW 9A.04.080 on commencing a prosecution for bigamy does not begin to run until the death of the prior or subsequent spouse of the actor or until a court enters a judgment terminating or annulling the prior or subsequent marriage.
- (4) Bigamy is a class C felony.

Sec. 386. RCW 9A.68.010 and 1975 1st ex.s. c 260 s 9A.68.010 are each amended to read as follows:

- (1) A person is guilty of bribery if:
 - (a) With the intent to secure a particular result in a particular matter involving the exercise of the public servant's vote, opinion, judgment, exercise

of discretion, or other action in his or her official capacity, he or she offers, confers, or agrees to confer any pecuniary benefit upon such public servant; or

(b) Being a public servant, he or she requests, accepts, or agrees to accept any pecuniary benefit pursuant to an agreement or understanding that his or her vote, opinion, judgment, exercise of discretion, or other action as a public servant will be used to secure or attempt to secure a particular result in a particular matter.

(2) It is no defense to a prosecution under this section that the public servant sought to be influenced was not qualified to act in the desired way, whether because he or she had not yet assumed office, lacked jurisdiction, or for any other reason.

(3) Bribery is a class B felony.

Sec. 387. RCW 9A.68.020 and 1975 1st ex.s. c 260 s 9A.68.020 are each amended to read as follows:

(1) A public servant is guilty of requesting unlawful compensation if he or she requests a pecuniary benefit for the performance of an official action knowing that he or she is required to perform that action without compensation or at a level of compensation lower than that requested.

(2) Requesting unlawful compensation is a class C felony.

Sec. 388. RCW 9A.68.030 and 1975 1st ex.s. c 260 s 9A.68.030 are each amended to read as follows:

(1) A person is guilty of receiving or granting unlawful compensation if:

(a) Being a public servant, he or she requests, accepts, or agrees to accept compensation for advice or other assistance in preparing a bill, contract, claim, or transaction regarding which he or she knows he or she is likely to have an official discretion to exercise; or

(b) He or she knowingly offers, pays, or agrees to pay compensation to a public servant for advice or other assistance in preparing or promoting a bill, contract, claim, or other transaction regarding which the public servant is likely to have an official discretion to exercise.

(2) Receiving or granting unlawful compensation is a class C felony.

Sec. 389. RCW 9A.68.040 and 1975 1st ex.s. c 260 s 9A.68.040 are each amended to read as follows:

(1) A person is guilty of trading in public office if:

(a) He or she offers, confers, or agrees to confer any pecuniary benefit upon a public servant pursuant to an agreement or understanding that such actor will or may be appointed to a public office; or

(b) Being a public servant, he or she requests, accepts, or agrees to accept any pecuniary benefit from another person pursuant to an agreement or understanding that such person will or may be appointed to a public office.

(2) Trading in public office is a class C felony.

Sec. 390. RCW 9A.68.050 and 1975 1st ex.s. c 260 s 9A.68.050 are each amended to read as follows:

(1) A person is guilty of trading in special influence if:

(a) He or she offers, confers, or agrees to confer any pecuniary benefit upon another person pursuant to an agreement or understanding that such other person will offer or confer a benefit upon a public servant or procure another to do so

with intent thereby to secure or attempt to secure a particular result in a particular matter; or

(b) He or she requests, accepts, or agrees to accept any pecuniary benefit pursuant to an agreement or understanding that he or she will offer or confer a benefit upon a public servant or procure another to do so with intent thereby to secure or attempt to secure a particular result in a particular matter.

(2) Trading in special influence is a class C felony.

Sec. 391. RCW 9A.72.020 and 1975 1st ex.s. c 260 s 9A.72.020 are each amended to read as follows:

(1) A person is guilty of perjury in the first degree if in any official proceeding he or she makes a materially false statement which he or she knows to be false under an oath required or authorized by law.

(2) Knowledge of the materiality of the statement is not an element of this crime, and the actor's mistaken belief that his or her statement was not material is not a defense to a prosecution under this section.

(3) Perjury in the first degree is a class B felony.

Sec. 392. RCW 9A.72.040 and 1975 1st ex.s. c 260 s 9A.72.040 are each amended to read as follows:

(1) A person is guilty of false swearing if he or she makes a false statement, which he or she knows to be false, under an oath required or authorized by law.

(2) False swearing is a gross misdemeanor.

Sec. 393. RCW 9A.72.060 and 1975-'76 2nd ex.s. c 38 s 16 are each amended to read as follows:

No person shall be convicted of perjury or false swearing if he or she retracts his or her false statement in the course of the same proceeding in which it was made, if in fact he or she does so before it becomes manifest that the falsification is or will be exposed and before the falsification substantially affects the proceeding. Statements made in separate hearings at separate stages of the same trial, administrative, or other official proceeding shall be treated as if made in the course of the same proceeding.

Sec. 394. RCW 9A.72.080 and 1975 1st ex.s. c 260 s 9A.72.080 are each amended to read as follows:

Every unqualified statement of that which one does not know to be true is equivalent to a statement of that which he or she knows to be false.

Sec. 395. RCW 9A.72.130 and 1985 c 327 s 3 are each amended to read as follows:

(1) A person is guilty of intimidating a juror if a person directs a threat to a former juror because of the juror's vote, opinion, decision, or other official action as a juror, or if, by use of a threat, he or she attempts to influence a juror's vote, opinion, decision, or other official action as a juror.

(2) "Threat" as used in this section means:

(a) To communicate, directly or indirectly, the intent immediately to use force against any person who is present at the time; or

(b) Threats as defined in RCW 9A.04.110(~~(25)~~).

(3) Intimidating a juror is a class B felony.

Sec. 396. RCW 9A.72.140 and 1975 1st ex.s. c 260 s 9A.72.140 are each amended to read as follows:

(1) A person is guilty of jury tampering if with intent to influence a juror's vote, opinion, decision, or other official action in a case, he or she attempts to communicate directly or indirectly with a juror other than as part of the proceedings in the trial of the case.

(2) Jury tampering is a gross misdemeanor.

Sec. 397. RCW 9A.72.150 and 1975 1st ex.s. c 260 s 9A.72.150 are each amended to read as follows:

(1) A person is guilty of tampering with physical evidence if, having reason to believe that an official proceeding is pending or about to be instituted and acting without legal right or authority, he or she:

(a) Destroys, mutilates, conceals, removes, or alters physical evidence with intent to impair its appearance, character, or availability in such pending or prospective official proceeding; or

(b) Knowingly presents or offers any false physical evidence.

(2) "Physical evidence" as used in this section includes any article, object, document, record, or other thing of physical substance.

(3) Tampering with physical evidence is a gross misdemeanor.

Sec. 398. RCW 9A.76.030 and 1975 1st ex.s. c 260 s 9A.76.030 are each amended to read as follows:

(1) A person is guilty of refusing to summon aid for a peace officer if, upon request by a person he or she knows to be a peace officer, he or she unreasonably refuses or fails to summon aid for such peace officer.

(2) Refusing to summon aid for a peace officer is a misdemeanor.

Sec. 399. RCW 9A.76.040 and 1975 1st ex.s. c 260 s 9A.76.040 are each amended to read as follows:

(1) A person is guilty of resisting arrest if he or she intentionally prevents or attempts to prevent a peace officer from lawfully arresting him or her.

(2) Resisting arrest is a misdemeanor.

Sec. 400. RCW 9A.76.050 and 1982 1st ex.s. c 47 s 20 are each amended to read as follows:

As used in RCW 9A.76.070, 9A.76.080, and 9A.76.090, a person "renders criminal assistance" if, with intent to prevent, hinder, or delay the apprehension or prosecution of another person who he or she knows has committed a crime or juvenile offense or is being sought by law enforcement officials for the commission of a crime or juvenile offense or has escaped from a detention facility, he or she:

(1) Harbors or conceals such person; or

(2) Warns such person of impending discovery or apprehension; or

(3) Provides such person with money, transportation, disguise, or other means of avoiding discovery or apprehension; or

(4) Prevents or obstructs, by use of force, deception, or threat, anyone from performing an act that might aid in the discovery or apprehension of such person; or

(5) Conceals, alters, or destroys any physical evidence that might aid in the discovery or apprehension of such person; or

(6) Provides such person with a weapon.

Sec. 401. RCW 9A.76.090 and 1975 1st ex.s. c 260 s 9A.76.090 are each amended to read as follows:

(1) A person is guilty of rendering criminal assistance in the third degree if he or she renders criminal assistance to a person who has committed a gross misdemeanor or misdemeanor.

(2) Rendering criminal assistance in the third degree is a misdemeanor.

Sec. 402. RCW 9A.76.100 and 1975 1st ex.s. c 260 s 9A.76.100 are each amended to read as follows:

(1) A person is guilty of compounding if:

(a) He or she requests, accepts, or agrees to accept any pecuniary benefit pursuant to an agreement or understanding that he or she will refrain from initiating a prosecution for a crime; or

(b) He or she confers, or offers or agrees to confer, any pecuniary benefit upon another pursuant to an agreement or understanding that such other person will refrain from initiating a prosecution for a crime.

(2) In any prosecution under this section, it is a defense if established by a preponderance of the evidence that the pecuniary benefit did not exceed an amount which the defendant reasonably believed to be due as restitution or indemnification for harm caused by the crime.

(3) Compounding is a gross misdemeanor.

Sec. 403. RCW 9A.76.130 and 1975 1st ex.s. c 260 s 9A.76.130 are each amended to read as follows:

(1) A person is guilty of escape in the third degree if he or she escapes from custody.

(2) Escape in the third degree is a gross misdemeanor.

Sec. 404. RCW 9A.76.140 and 1975 1st ex.s. c 260 s 9A.76.140 are each amended to read as follows:

(1) A person is guilty of introducing contraband in the first degree if he or she knowingly provides any deadly weapon to any person confined in a detention facility.

(2) Introducing contraband in the first degree is a class B felony.

Sec. 405. RCW 9A.76.150 and 1975 1st ex.s. c 260 s 9A.76.150 are each amended to read as follows:

(1) A person is guilty of introducing contraband in the second degree if he or she knowingly and unlawfully provides contraband to any person confined in a detention facility with the intent that such contraband be of assistance in an escape or in the commission of a crime.

(2) Introducing contraband in the second degree is a class C felony.

Sec. 406. RCW 9A.76.160 and 1975 1st ex.s. c 260 s 9A.76.160 are each amended to read as follows:

(1) A person is guilty of introducing contraband in the third degree if he or she knowingly and unlawfully provides contraband to any person confined in a detention facility.

(2) Introducing contraband in the third degree is a misdemeanor.

Sec. 407. RCW 9A.76.180 and 1975 1st ex.s. c 260 s 9A.76.180 are each amended to read as follows:

(1) A person is guilty of intimidating a public servant if, by use of a threat, he or she attempts to influence a public servant's vote, opinion, decision, or other official action as a public servant.

- (2) For purposes of this section "public servant" shall not include jurors.
- (3) "Threat" as used in this section means:
 - (a) To communicate, directly or indirectly, the intent immediately to use force against any person who is present at the time; or
 - (b) Threats as defined in RCW 9A.04.110(~~((25))~~).
- (4) Intimidating a public servant is a class B felony.

Sec. 408. RCW 9A.80.010 and 1975-'76 2nd ex.s. c 38 s 17 are each amended to read as follows:

- (1) A public servant is guilty of official misconduct if, with intent to obtain a benefit or to deprive another person of a lawful right or privilege:
 - (a) He or she intentionally commits an unauthorized act under color of law;
 - or
 - (b) He or she intentionally refrains from performing a duty imposed upon him or her by law.
- (2) Official misconduct is a gross misdemeanor.

Sec. 409. RCW 9A.83.040 and 1992 c 210 s 4 are each amended to read as follows:

No liability is imposed by this chapter upon any authorized state, county, or municipal officer engaged in the lawful performance of his or her duties, or upon any person who reasonably believes that he or she is acting at the direction of such officer and that the officer is acting in the lawful performance of his or her duties.

Sec. 410. RCW 9A.84.020 and 1975 1st ex.s. c 260 s 9A.84.020 are each amended to read as follows:

- (1) A person is guilty of failure to disperse if:
 - (a) He or she congregates with a group of three or more other persons and there are acts of conduct within that group which create a substantial risk of causing injury to any person, or substantial harm to property; and
 - (b) He or she refuses or fails to disperse when ordered to do so by a peace officer or other public servant engaged in enforcing or executing the law.
- (2) Failure to disperse is a misdemeanor.

Sec. 411. RCW 9A.84.040 and 1975 1st ex.s. c 260 s 9A.84.040 are each amended to read as follows:

- (1) A person is guilty of false reporting if with knowledge that the information reported, conveyed, or circulated is false, he or she initiates or circulates a false report or warning of an alleged occurrence or impending occurrence of a fire, explosion, crime, catastrophe, or emergency knowing that such false report is likely to cause evacuation of a building, place of assembly, or transportation facility, or to cause public inconvenience or alarm.
- (2) False reporting is a gross misdemeanor.

Sec. 412. RCW 9A.88.060 and 1975 1st ex.s. c 260 s 9A.88.060 are each amended to read as follows:

The following definitions are applicable in RCW 9A.88.070 through 9A.88.090:

- (1) "Advances prostitution." A person "advances prostitution" if, acting other than as a prostitute or as a customer thereof, he or she causes or aids a person to commit or engage in prostitution, procures or solicits customers for prostitution, provides persons or premises for prostitution purposes, operates or

assists in the operation of a house of prostitution or a prostitution enterprise, or engages in any other conduct designed to institute, aid, or facilitate an act or enterprise of prostitution.

(2) "Profits from prostitution." A person "profits from prostitution" if, acting other than as a prostitute receiving compensation for personally rendered prostitution services, he or she accepts or receives money or other property pursuant to an agreement or understanding with any person whereby he or she participates or is to participate in the proceeds of prostitution activity.

Sec. 413. RCW 9A.88.080 and 1975 1st ex.s. c 260 s 9A.88.080 are each amended to read as follows:

(1) A person is guilty of promoting prostitution in the second degree if he or she knowingly:

- (a) Profits from prostitution; or
- (b) Advances prostitution.

(2) Promoting prostitution in the second degree is a class C felony.

Sec. 414. RCW 9A.88.090 and 1975 1st ex.s. c 260 s 9A.88.090 are each amended to read as follows:

(1) A person is guilty of permitting prostitution if, having possession or control of premises which he or she knows are being used for prostitution purposes, he or she fails without lawful excuse to make reasonable effort to halt or abate such use.

(2) Permitting prostitution is a misdemeanor.

Sec. 415. RCW 15.66.150 and 1981 c 297 s 40 are each amended to read as follows:

There is hereby levied, and there shall be collected by each commission, upon each and every unit of any agricultural commodity specified in any marketing order an annual assessment which shall be paid by the producer thereof upon each and every such unit sold, processed, stored, or delivered for sale, processing, or storage by him or her. Such assessments shall be expressed as a stated amount of money per unit or as a percentage of the net unit price at the time of sale. The total amount of such annual assessment to be paid by all affected producers of such commodity shall not exceed three percent of the total market value of all affected units sold, processed, stored, or delivered for sale, processing, or storage by all affected producers of such units during the year to which the assessment applies.

Every marketing order shall prescribe the per unit or percentage rate of such assessment. Such rate may be at the full amount of, or at any lesser amount than the amount hereinabove limited and may be altered from time to time by amendment of such order. In every such marketing order and amendment the determination of such rate shall be based upon the volume and price of sales of affected units during a period which the director determines to be a representative period. The per unit or percentage rate of assessment prescribed in any such order or amendment shall for all purposes and times be deemed to be within the limits of assessment above provided until such time as such order is amended as to such rate. However, at the end of any year, any affected producer may obtain a refund from the commission of any assessment payments made which exceed three percent of the total market value of all of the affected commodity sold, processed, stored, or delivered for sale, processing, or storage

by such producer during the year. Such refund shall be made only upon satisfactory proof given by such producer in accordance with reasonable rules and regulations prescribed by the director. Such market value shall be based upon the average sales price received by such producer during the year from all his or her bona fide sales or, if such producer did not sell twenty-five percent or more of all of the affected commodity produced by him or her during the year, such market value shall be determined by the director upon other sales of the affected commodity determined by the director to be representative and comparable.

To collect such assessment each order may require:

(1) Stamps to be purchased from the affected commodity commission or other authority stated in such order and attached to the containers, invoices, shipping documents, inspection certificates, releases, or receiving receipts or tickets (said stamps to be canceled immediately upon being attached and the date of cancellation placed thereon).

(2) Payment of producer assessments before the affected units are shipped off the farm or payment of assessments at different or later times, and in such event the order may require any person subject to the assessment to give adequate assurance or security for its payment.

(3) Every affected producer subject to assessment under such order to deposit with the commission in advance an amount based on the estimated number of affected units upon which such person will be subject to such assessment in any one year during which such marketing order is in force, or upon any other basis which the director determines to be reasonable and equitable and specifies in such order, but in no event shall such deposit exceed twenty-five percent of the estimated total annual assessment payable by such person. At the close of such marketing year the sums so deposited shall be adjusted to the total of such assessments payable by such person.

(4) Handlers receiving the affected commodity from the producer, including ~~((warehousemen))~~ warehouse operators and processors, to collect producer assessments from producers whose production they handle and remit the same to the affected commission. The lending agency for a commodity credit corporation loan to producers shall be deemed a handler for the purpose of this subsection. No affected units shall be transported, carried, shipped, sold, stored, or otherwise handled or disposed of until every due and payable assessment herein provided for has been paid and the receipt issued, but no liability hereunder shall attach to common carriers in the regular course of their business.

Sec. 416. RCW 15.80.420 and 1969 ex.s. c 100 s 13 are each amended to read as follows:

It shall be a violation of this chapter to transport by highway any hay, straw, or grain which has been purchased by weight or will be purchased by weight, unless it is weighed and a certified weight ticket is issued thereon, by the first licensed public weighmaster which would be encountered on the ordinary route to the destination where the hay, straw, or grain is to be unloaded: PROVIDED, HOWEVER, That this section shall not apply to the following:

(1) The transportation of, or sale of, hay, straw, or grain by the primary producer thereof;

(2) The transportation of hay, straw, or grain by an agriculturalist for use in his or her own growing, or animal or poultry husbandry endeavors;

(3) The transportation of grain by a party who is either a (~~warehouseman~~) warehouse operator or grain dealer and who is licensed under the grain warehouse laws and who makes such shipment in the course of the business for which he or she is so licensed;

(4) The transportation of hay, straw, or grain by retail merchants, except for the provisions of RCW 15.80.430 and 15.80.440;

(5) The transportation of grain from a warehouse licensed under the grain warehouse laws when the transported grain is consigned directly to a public terminal warehouse.

Sec. 417. RCW 15.115.270 and 2009 c 33 s 28 are each amended to read as follows:

(1) The collection of the assessment made and levied by the commission must be paid by the producer upon all commercial quantities of wheat and all commercial quantities of barley sold, processed, stored, or delivered for sale, processing, or storage by the producer. However, an assessment may not be levied or collected on wheat or barley grown and used by the producer for feed, seed, or personal consumption.

(2) Handlers including (~~warehousemen~~) warehouse operators, processors, and feedlots receiving wheat or barley in commercial quantities from producers shall collect the assessment made and levied by the commission from each producer whose production they handle and remit the assessment to the commission on a monthly basis. Affected units of wheat or barley must not be transported, carried, shipped, sold, stored, or otherwise handled or disposed of until every due and payable assessment under this chapter has been paid and the receipt issued, but liability under this chapter does not attach to common carriers in the regular course of their business.

(3) Any due and payable assessment levied under this chapter constitutes a personal debt of every person so assessed or who otherwise owes the assessment, and the assessment is due and payable to the commission on a monthly basis. In the event any person fails to pay the full amount of such an assessment, the commission may add to the unpaid assessment an amount not exceeding ten percent of the unpaid assessment to defray the cost of enforcing the collecting of the unpaid assessment. In the event of failure of the person or persons to pay any due and payable assessment, the commission may bring a civil action against the person or persons in a state court of competent jurisdiction for the collection thereof, together with the additional ten percent, and the action must be tried and judgment rendered as in any other cause of action for debt due and payable. Venue for an action against a person owing a due and payable assessment to the commission is in Spokane county or a county in which the person produces or handles wheat or barley.

Sec. 418. RCW 16.04.020 and 1893 c 31 s 2 are each amended to read as follows:

Whenever any animals are restrained as provided in RCW 16.04.010, the person restraining such animals shall within twenty-four hours thereafter notify in writing the owner, or person in whose custody the same was at the time the trespass was committed, of the seizure of such animals, and the probable amount of the damages sustained: PROVIDED, He or she knows to whom such animals belong.

Sec. 419. RCW 16.24.120 and 1989 c 286 s 12 are each amended to read as follows:

Upon taking possession of any livestock at large contrary to the provisions of RCW (~~(46.13.020)~~) 16.24.110, or any unclaimed livestock submitted or impounded, by any person, at any public livestock market or any other facility approved by the director, the sheriff or brand inspector shall cause it to be transported to and impounded at the nearest public livestock market licensed under chapter 16.65 RCW or at such place as approved by the director. If the sheriff has impounded an animal in accordance with this section, he or she shall forthwith notify the nearest brand inspector of the department of agriculture, who shall examine the animal and, by brand, tattoo, or other identifying characteristic, shall attempt to ascertain the ownership thereof.

Sec. 420. RCW 16.24.180 and 1989 c 286 s 15 are each amended to read as follows:

It shall be lawful for any person having cows or heifers running at large in this state to take up or capture and castrate, at the risk of the owner, at any time between the first day of March and the fifteenth day of May, any bull above the age of ten months found running at large out of the enclosed grounds of the owner or keeper. It shall be lawful for any person to take up or capture and geld, at the risk of the owner, between April 1st and September 30th of any year, any stud horse or jackass or any male mule above the age of eighteen months found running at large out of the enclosed grounds of the owner or keeper. If the said animal shall die, as a result of such castration, the owner shall have no recourse against the person who shall have taken up or captured and castrated, or caused to be castrated, the said animal: PROVIDED, Such act of castration shall have been skillfully done by a person accustomed to doing the same: AND PROVIDED FURTHER, That if the person so taking up or capturing such animal, or causing it to be so taken up or captured, shall know the owner or keeper of such animal, and shall know that said animal is being kept for breeding purposes, it shall be his or her duty forthwith to notify such owner or keeper of the taking up of said animal, and if such owner or keeper shall not within two days after being so notified pay for the reasonable costs of keeping of said animal, and take and safely keep said animal thereafter within his or her own enclosures, then it shall be lawful for the taker-up of said animal to castrate the same, and the owner thereof shall pay a reasonable sum for such act of castration, if done skillfully, as hereinbefore required, and shall also pay for the keeping of said animal as above provided, and the amount for which he or she may be liable therefor may be recovered in an action at law in any court having jurisdiction thereof: AND PROVIDED FURTHER, That if said animal should be found running at large a third time within the same year, and within the prohibited dates hereinbefore mentioned, it shall be lawful for any person to capture and castrate the animal without giving any notice to the owner or keeper whatever. For purposes of this section, geld and castrate shall have the same meaning.

Sec. 421. RCW 16.50.110 and 1967 c 31 s 2 are each amended to read as follows:

For the purpose of this chapter:

(1) "Department" means the department of agriculture of the state of Washington.

(2) "Director" means the director of the department or his or her duly appointed representative.

(3) "Humane method" means either: (a) A method whereby the animal is rendered insensible to pain by mechanical, electrical, chemical, or other means that is rapid and effective, before being shackled, hoisted, thrown, cast, or cut; or (b) a method in accordance with the ritual requirements of any religious faith whereby the animal suffers loss of consciousness by anemia of the brain caused by the simultaneous and instantaneous severance of the carotid arteries with a sharp instrument.

(4) "Livestock" means cattle, calves, sheep, swine, horses, mules, and goats.

(5) "Packer" means any person engaged in the business of slaughtering livestock.

(6) "Person" means a natural person, individual, firm, partnership, corporation, company, society, and association and every officer, agent, or employee, thereof. This term shall import either the singular or plural, as the case may be.

(7) "Slaughterer" means any person engaged in the commercial or custom slaughtering of livestock, including custom farm slaughterers.

Sec. 422. RCW 16.50.120 and 1967 c 31 s 3 are each amended to read as follows:

No slaughterer or packer shall bleed or slaughter any livestock except by a humane method: PROVIDED, That the director may, by administrative order, exempt a person from compliance with this chapter for a period of not to exceed six months if he or she finds that an earlier compliance would cause such person undue hardship.

Sec. 423. RCW 16.50.130 and 1967 c 31 s 4 are each amended to read as follows:

The director shall administer the provisions of this chapter. He or she shall adopt and may from time to time revise rules which shall conform substantially to the rules and regulations promulgated by the secretary of agriculture of the United States pursuant to the federal humane slaughter act of 1958, Public Law 85-765, 72 Stat. 862 and any amendments thereto. Such rules shall be adopted pursuant to the provisions of chapter 34.05 RCW as enacted or hereafter amended concerning the adoption of rules.

Sec. 424. RCW 16.52.110 and 1901 c 146 s 13 are each amended to read as follows:

Every owner, driver, or possessor of any old, maimed, or diseased horse, cow, mule, or other domestic animal, who shall permit the same to go loose in any lane, street, square, or lot or place of any city or township, without proper care and attention, for more than three hours after knowledge thereof, shall be guilty of a misdemeanor: PROVIDED, That this shall not apply to any such owner keeping any old or diseased animal belonging to him or her on his or her own premises with proper care. Every sick, disabled, infirm, or crippled horse, ox, mule, cow, or other domestic animal, which shall be abandoned on the public highway, or in any open or enclosed space in any city or township, may, if, after search by a peace officer or officer of such society no owner can be found

therefor, be killed by such officer; and it shall be the duty of all peace and public officers to cause the same to be killed on information of such abandonment.

Sec. 425. RCW 16.54.020 and 1955 c 190 s 2 are each amended to read as follows:

Any person having in his or her care, custody, or control any abandoned animal as defined in RCW 16.54.010, may deliver such animal to any humane society having facilities for the care of such animals or to any pound maintained by or under contract or agreement with any city or county within which such animal was abandoned. If no such humane society or pound exists within the county the person with whom the animal was abandoned may notify the sheriff of the county wherein the abandonment occurred.

Sec. 426. RCW 16.60.020 and 1907 c 13 s 1 are each amended to read as follows:

When any fence has been, or shall hereafter be, erected by any person on the boundary line of his or her land and the person owning land adjoining thereto shall make, or cause to be made, an inclosure, so that such fence may also answer the purpose of inclosing his or her ground, he or she shall pay the owner of such fence already erected one-half of the value of so much thereof as serves for a partition fence between them: PROVIDED, That in case such fence has woven wire or other material known as hog fencing, then the adjoining owner shall not be required to pay the extra cost of such hog fencing over and above the cost of erecting a lawful fence, as by law defined, unless such adjoining owner has his or her land fenced with hog fencing and uses the partition fence to make a hog enclosure of his or her land, then he or she shall pay to the one who owns said hog fence one-half of the value thereof.

Sec. 427. RCW 16.60.050 and 1907 c 13 s 2 are each amended to read as follows:

The respective owners of adjoining inclosures shall keep up and maintain in good repair all partition fences between such inclosures in equal shares, so long as they shall continue to occupy or improve the same; and in case either of the parties shall desire to make such fence capable of turning hogs and the other party does not desire to use it for such purpose, then the party desiring to use it shall have the right to attach hog-fencing material to the posts of such fence, which hog fencing shall remain the property of the party who put it up, and he or she may remove it at any time he or she desires: PROVIDED, That he or she leaves the fence in as good condition as it was when the hog fencing was by him or her attached, the natural decay of the posts excepted. The attaching of such hog fencing shall not relieve the other party from the duty of keeping in repair his or her part of such fence, as to all materials used in said fence additional to said hog fencing.

Sec. 428. RCW 16.60.060 and Code 1881 s 2496 are each amended to read as follows:

When any party shall wish to lay open his or her inclosure, he or she shall notify any person owning adjoining inclosures, and if such person shall not pay to the party giving notice one-half the value of any partition fence between such enclosures, within three months after receiving such notice, the party giving notice may proceed to remove one-half of such fence, as provided in RCW 16.60.055.

Sec. 429. RCW 16.60.075 and Code 1881 s 2499 are each amended to read as follows:

The owner of any animal that is unruly, and in the habit of breaking through or throwing down fences, if after being notified that such animal is unruly and in the habit of breaking through or throwing down fences as aforesaid, he or she shall allow such animal to run at large, shall be liable for all damages caused by such animal, and any and all other animals, that may be in company with such animal.

Sec. 430. RCW 16.60.080 and Code 1881, Bagley's Supp., p 25 s 1 are each amended to read as follows:

Whenever any inhabitant of this state shall have his or her fences removed by floods or destroyed by fire, the county commissioners of the county in which he or she resides shall have power to grant a license or permit for him or her to put a convenient gate or gates across any highway for a limited period of time, to be named in their order, in order to secure him or her from depredations upon his or her crops until he or she can repair his or her fences, and they shall grant such license or permit for no longer period than they may think absolutely necessary.

Sec. 431. RCW 16.60.085 and Code 1881, Bagley's Supp., p 25 s 2 are each amended to read as follows:

It shall be lawful for the auditor of any county to grant such permit in vacation, but his or her license shall not extend past the next meeting of the commissioner's court.

Sec. 432. RCW 16.60.090 and Code 1881, Bagley's Supp., p 25 s 3 are each amended to read as follows:

Any person retaining a gate across the highway after his or her license shall expire, shall be subject to a fine of one dollar for the first day and fifty cents for each subsequent day he or she shall retain the same, and it may be removed by the road supervisor, as an obstruction, at the cost of the person placing or keeping it upon the highway.

Sec. 433. RCW 16.65.130 and 1959 c 107 s 13 are each amended to read as follows:

It shall be unlawful for the licensee to use for his or her own purposes consignor's net proceeds, or funds received by such licensee to purchase livestock on order, through recourse to the so-called "float" in the bank account, or in any other manner.

Sec. 434. RCW 16.65.330 and 1959 c 107 s 33 are each amended to read as follows:

For the purpose of making investigations as provided for in RCW 16.65.320, the director may enter a public livestock market and examine any records required under the provisions of this chapter. The director shall have full authority to issue subpoenas requiring the attendance of witnesses before him or her, together with all books, memorandums, papers, and other documents relative to the matters under investigation, and to administer oaths and take testimony thereunder.

Sec. 435. RCW 16.65.410 and 1959 c 107 s 41 are each amended to read as follows:

It shall be unlawful for a packer to own or control more than a twenty percent interest in any public livestock market, directly or indirectly through stock ownership or control, or otherwise by himself or herself or through his or her agents or employees.

Sec. 436. RCW 16.67.090 and 2002 c 313 s 82 are each amended to read as follows:

The powers and duties of the commission shall include the following:

(1) To administer and enforce the provisions of this chapter, and do all things reasonably necessary to effectuate the purposes of this chapter;

(2) To elect a (~~chairman~~) chair and such other officers as it deems advisable;

(3) To employ and discharge at its discretion a manager, secretary, and such other personnel, including attorneys engaged in the private practice of law subject to the review of the attorney general, as the commission determines are necessary and proper to carry out the purposes of this chapter, and to prescribe their duties and powers and fix their compensation;

(4) To adopt, rescind, and amend rules, regulations, and orders for the exercise of its powers hereunder subject to the provisions of chapter 34.05 RCW, except that rule-making proceedings conducted under this chapter are exempt from compliance with RCW 34.05.310, the provisions of chapter 19.85 RCW, the regulatory fairness act, and the provisions of RCW 43.135.055 when adoption of the rule is determined by a referendum vote of the affected parties;

(5) To establish by resolution, a headquarters which shall continue as such unless and until so changed by the commission. All records, books, and minutes of the commission shall be kept at such headquarters;

(6) To require a bond of all commission members and employees of the commission in a position of trust in the amount the commission shall deem necessary. The premium for such bond or bonds shall be paid by the commission from assessments collected. Such bond shall not be necessary if any such commission member or employee is covered by any blanket bond covering officials or employees of the state of Washington;

(7) To establish a beef commission revolving fund, such fund to be deposited in a bank or banks or financial institution or institutions, approved for the deposit of state funds, in which all money received by the commission, except an amount of petty cash for each day's needs not to exceed one hundred dollars, shall be deposited each day or as often during the day as advisable; none of the provisions of RCW 43.01.050 as now or hereafter amended shall apply to money collected under this chapter;

(8) To prepare a budget or budgets covering anticipated income and expenses to be incurred in carrying out the provisions of this chapter during each fiscal year;

(9) To incur expense and enter into contracts and to create such liabilities as may be reasonable for the proper administration and enforcement of this chapter;

(10) To borrow money, not in excess of its estimate of its revenue from the current year's contributions;

(11) To keep or cause to be kept in accordance with accepted standards of good accounting practice, accurate records of all assessments, expenditures, moneys, and other financial transactions made and done pursuant to this chapter. Such records, books, and accounts shall be audited at least every five years

subject to procedures and methods lawfully prescribed by the state auditor. Such books and accounts shall be closed as of the last day of each fiscal year. A copy of such audit shall be delivered within thirty days after completion thereof to the director, the state auditor, and the commission. On such years and in such event the state auditor is unable to audit the records, books, and accounts within six months following the close of the audit period it shall be mandatory that the commission employ a private auditor to make such audit;

(12) To sue and be sued as a commission, without individual liability for acts of the commission within the scope of the powers conferred upon it by this chapter;

(13) To cooperate with any other local, state, or national commission, organization, or agency, whether voluntary or established by state or federal law, including recognized livestock groups, engaged in work or activities similar to the work and activities of the commission created by this chapter and make contracts and agreements with such organizations or agencies for carrying on joint programs beneficial to the beef industry;

(14) To accept grants, donations, contributions, or gifts from any governmental agency or private source for expenditures for any purpose consistent with the provisions of this chapter; and

(15) To operate jointly with beef commissions or similar agencies established by state laws in adjoining states.

Sec. 437. RCW 16.67.160 and 1969 c 133 s 15 are each amended to read as follows:

Obligations incurred by the commission and liabilities or claims against the commission shall be enforced only against the assets of the commission in the same manner as if it were a corporation and no liability for the debts or actions of the commission shall exist against either the state of Washington or any subdivision or instrumentality thereof or against any member officer, employee, or agent of the commission in his or her individual capacity. The members of the commission including employees of the commission shall not be held responsible individually or any way whatsoever to any person for errors in judgment, mistakes, or other acts, either of commission or omission, as principal, agent, person, or employees, except for their own individual acts of dishonesty or crime. No such person or employee shall be held responsible individually for any act or omission of any other member of the commission. The liability of the members of the commission shall be several and not joint and no member shall be liable for the default of any other member.

Sec. 438. RCW 16.68.010 and 1949 c 100 s 1 are each amended to read as follows:

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

(1) "Director" means the director of agriculture;

(2) "Meat food animal" means cattle, horses, mules, asses, swine, sheep, and goats;

(3) "Dead animal" means the body of a meat food animal, or any part or portion thereof: PROVIDED, That the following dead animals are exempt from the provisions of this chapter:

(a) Edible products from a licensed slaughtering establishment;

(b) Edible products where the meat food animal was slaughtered under farm slaughter permit;

(c) Edible products where the meat food animal was slaughtered by a bona fide farmer on his or her own ranch for his or her own consumption;

(d) Hides from meat food animals that are properly identified as to ownership and brands;

(4) "Carcass" means all parts, including viscera, of a dead meat food animal;

(5) "Person" means any individual, firm, corporation, partnership, or association;

(6) "Rendering plant" means any place of business or location where dead animals or any part or portion thereof, or packing house refuse, are processed for the purpose of obtaining the hide, skin, grease residue, or any other by-product whatsoever;

(7) "Substation" means a properly equipped and authorized concentration site for the temporary storage of dead animals or packing house refuse pending final delivery to a licensed rendering plant;

(8) "Place of transfer" means an authorized reloading site for the direct transfer of dead animals or packing house refuse from the vehicle making original pickup to the line vehicle that will transport the dead animals or packing house refuse to a specified licensed rendering plant;

(9) "Independent collector" means any person who does not own a licensed rendering plant within the state of Washington but is properly equipped and licensed to transport dead animals or packing house refuse to a specified rendering plant.

Sec. 439. RCW 16.68.030 and 1949 c 100 s 3 are each amended to read as follows:

It is unlawful for any person to sell, offer for sale, or give away a dead animal or convey the same along any public road or land not his or her own: PROVIDED, That dead animals may be sold or given away to and legally transported on highways by a person having an unrevoked, annual license to operate a rendering plant or by a person having an unrevoked, annual license to operate as an independent collector.

Sec. 440. RCW 16.68.080 and 1949 c 100 s 8 are each amended to read as follows:

Any license or permit issued under this chapter shall expire on the thirtieth day of June next subsequent to the date of issue, and may be sooner revoked by the director or his or her authorized representative for violations of this chapter. Any licensee or permittee under this chapter shall have the right to demand a hearing before the director before a revocation is made permanent.

Sec. 441. RCW 16.68.100 and 1949 c 100 s 10 are each amended to read as follows:

If the director finds that the locations, buildings, substations equipment, vehicles, places of transfer, or proposed method of operation do not fully comply with the requirements of this chapter, he or she shall notify the applicant by registered letter wherein the same fails to comply. If the applicant whose plant or operation failed to comply notifies the director within ten days from the receipt of the registered letter that he or she will discontinue operations, the fee accompanying the application will be returned to him or her; otherwise no part

of the fee will be refunded. If the applicant whose plant failed to comply within a reasonable time, to be fixed by the director or his or her authorized representative, notifies the director that such defects are remedied, a second inspection shall be made. Not more than two inspections may be made on one application.

Sec. 442. RCW 16.68.110 and 1949 c 100 s 12 are each amended to read as follows:

Every licensee under this chapter must comply with the following:

(1) All floors shall be constructed of concrete or other impervious material, shall be kept reasonably clean and in good repair. Floors shall slope at least one-fourth inch to the foot toward drains, and slope at least three-eighths inch to the foot as the drains are approached.

(2) Adequate sanitary drainage must be provided leading to approved grease traps and approved sewage disposal system. No point on the floor shall be over sixteen feet from a drain.

(3) Suitable disposal of paunch contents must be provided in accordance with sanitary regulations.

(4) Walls shall be of impervious material to a height not less than six feet from the floor with a tight union with the floor.

(5) Potable water supply shall be provided for human consumption, washing, and cleaning.

(6) Ample steam shall be provided for cleaning purposes.

(7) Approved toilet and dressing room facilities must be provided for employees.

(8) The building must be kept free from flies, rats, mice, and cockroaches.

(9) Premises must be kept neat and orderly and all buildings must be attractive in appearance.

(10) All rendering plants, substations, and places of transfer shall be so located, arranged, constructed, and maintained, and the operation so conducted at all times as to be consistent with public health and safety.

(11) Suitable facilities for the dipping, washing, and disinfecting of hides obtained from animals that died or were killed on account of an infectious or contagious disease, shall be provided.

(12) Two copies of building or remodeling plans shall be forwarded to the director for his or her approval before such building or remodeling is begun.

Sec. 443. RCW 16.68.130 and 1949 c 100 s 14 are each amended to read as follows:

The director or his or her authorized agent, shall have free and uninterrupted access to all parts of premises that come under the provisions of this chapter, for the purpose of making inspections and the examination of records.

Sec. 444. RCW 16.68.140 and 1949 c 100 s 15 are each amended to read as follows:

It shall be unlawful for any person to transport, to sell, offer to sell, or have on his or her premises horse meat for other than human consumption unless said horse meat is decharacterized in a manner prescribed by the director: PROVIDED, That this provision shall not apply to carcasses slaughtered by a farmer for consumption on his or her own ranch or to carcasses in the possession

of a person licensed under this chapter, or to canned horse meat meeting United States bureau of animal industry regulations.

Sec. 445. RCW 16.70.030 and 1971 c 72 s 3 are each amended to read as follows:

In the event of an emergency arising out of an outbreak of communicable disease caused by exposure to or contact with pet animals, the secretary is hereby authorized to take any reasonable action deemed necessary by him or her to protect the public health, including but not limited to the use of quarantine or the institution of any legal action authorized pursuant to Title 7 RCW and RCW ((43.20A.640 through 43.20A.650)) 43.70.170, 43.70.180, and 43.70.190.

The secretary shall have authority to destroy any pet animal or animals which may reasonably be suspected of having a communicable disease dangerous to humans and such animal or animals are hereby declared to be a public nuisance.

Sec. 446. RCW 17.04.070 and 1971 ex.s. c 292 s 15 are each amended to read as follows:

If the board of county commissioners establish such district it shall call a special meeting to be held within such district for the purpose of electing three directors for such district. No person shall be eligible to hold the office of director who is not a qualified elector of the state of Washington and a resident and landowner within such district. Such meeting shall be held not less than thirty nor more than ninety days from the date when such district is established by such board.

Notice of such meeting shall be given by the county auditor by publication once a week for three successive weeks in a newspaper of general circulation in such district, and by posting such notice for not less than ten days before the date fixed for such meeting in three public places within the boundaries of such district. The notices shall state the object of the meeting and the time and place when the same shall be held.

At the time and place fixed for the meeting the county commissioner in whose commissioner district such district is located shall act as ((~~chairman~~)) chair and call the meeting to order. The ((~~chairman~~)) chair shall appoint two persons to assist him or her in conducting the election, one of whom shall act as clerk. If such county commissioner be not present the electors of such district then present shall elect a ((~~chairman~~)) chair of the meeting.

Every person who is a landowner within such district and a qualified elector of the state of Washington shall be entitled to vote at such meeting. Any person offering to vote may be challenged by any legally qualified elector of such district, and the ((~~chairman~~)) chair of such meeting shall thereupon administer to the person challenged an oath in substance as follows: "You do swear (or affirm) that you are a citizen of the United States and a qualified elector of the state of Washington and an owner of land within the boundaries of weed district No. of county (giving number of district and name of county)." If the challenged person shall take such oath or make such affirmation, he or she shall be entitled to vote; otherwise his or her vote shall not be received. Any person making a false oath, or affirmation, or any person illegally voting at such meeting, shall be punished as provided in the general election laws of the state for illegal voting.

The vote shall be by secret ballot, on white paper of uniform size and quality, of such arrangement that when names are written thereon, the same may be folded so as not to disclose the names. The elector shall write the names of three persons that he or she desires as the first directors of such district and shall fold his or her ballot and hand the same to the ((~~chairman~~)) chair of the meeting who shall deposit it in a ballot box provided for that purpose. The clerk shall thereupon write the name of such person on a list as having voted at such election. After all persons present and entitled to vote have voted, the ((~~chairman~~)) chair shall declare the election closed, and shall, with the assistance of the clerk and the other person appointed as assistant, proceed to count the ballots. The person receiving the greatest number of votes shall be elected as director for a term ending three years from the first Monday in March following his or her election; the person receiving the second greatest number of votes shall be elected for a term ending two years from the first Monday in March following his or her election, and the person receiving the third greatest number of votes shall be elected for a term ending one year from the first Monday of March following his or her election.

Annually thereafter, there shall be held a meeting of the electors of such district on the last Monday in February, except that the directors may, by giving the same notice as is required for the initial meeting, fix an earlier time for the annual meeting on any nonholiday during the months of December, January, or February. At such meeting one director shall be elected to succeed the director whose term will expire on the first Monday in March following. The directors shall call the annual meeting, and shall fix the time and place where the same shall be held and shall give the same notice thereof as provided for the initial meeting. The annual meeting shall be conducted in the same manner as is provided for the initial meeting, and the qualifications of electors at such annual meeting shall be the same as is required for the initial meeting. In conducting directors' elections, the ((~~chairman~~)) chair may accept nominations from the floor but voting shall not be limited to those nominated.

All directors shall hold office for the term for which they are elected, and until their successors are elected and qualified. In case of a vacancy occurring in the office of any director, the county commissioners of the county in which such district is located shall appoint a qualified person to fill the vacancy for the unexpired term. The board of directors shall elect one of its members ((~~chairman~~)) chair and may appoint a secretary who need not be a member of the board, and who shall be paid such compensation as the board may determine. Each director shall furnish a bond in the sum of one thousand dollars, which may be a surety company bond or property bond approved by the board of county commissioners, which bond shall be filed with the county commissioners and shall be conditioned for the faithful discharge of his or her duties. The cost of such bond shall be paid by the district the same as other expenses of the district. At any annual meeting the method for destroying, preventing, and exterminating weeds of such district as set forth in the petition, and the rules and regulations adopted by such district, may be changed by a majority vote of the qualified electors present at such meeting, or a special meeting may be called for that purpose, notice of which meeting and of such proposed changes to be voted on, shall be given to all landowners residing within the district by mailing a copy of such notice and of such proposed changes to the address of such landowner at

least one week before the date fixed for such special meeting. The qualified electors of any weed district, at any annual meeting, may make other weeds that are not on the petition subject to control by the weed district by a two-thirds vote of the electors present: PROVIDED, That said weeds have been classified by the agricultural experiment station of Washington State University as noxious and: PROVIDED FURTHER, That the directors of the weed district give public notice in the manner required for initial meetings of the proposed new control of said weeds by the weed district.

Sec. 447. RCW 17.04.150 and 1961 c 250 s 3 are each amended to read as follows:

The board of directors of such weed district shall have power:

(1) To adopt rules and regulations, plans, methods, and means for the purpose of destroying, preventing, and exterminating the weed or weeds specified in the petition, and to supervise, carry out, and enforce such rules, regulations, plans, methods, and means.

(2) To appoint a weed inspector and to require from him or her a bond in such sum as the directors may determine for the faithful discharge of his or her duties, and to pay the cost of such bond from the funds of such district; and to direct such weed inspector in the discharge of his or her duties; and to pay such weed inspector from the funds of such district such per diem or salary for the time employed in the discharge of his or her duties as the directors shall determine.

Sec. 448. RCW 17.04.190 and 1961 c 250 s 5 are each amended to read as follows:

It shall be the duty of the weed inspector to carry out the directions of the board of directors and to see that the rules and regulations adopted by the board are carried out. He or she shall personally deliver or mail to each resident landowner within such district and to any lessee or person in charge of any land within such district and residing in such district, a copy of the rules and regulations of such district; and he or she shall personally deliver a copy thereof to nonresident landowners or shall deposit a copy of the same in the United States post office in an envelope with postage prepaid thereon addressed to the last known address of such person as shown by the records of the county auditor; and in event no such address is available for mailing he or she shall post a copy of such rules and regulations in a conspicuous place upon such land. A record shall be kept by the weed inspector of such dates of mailing, posting, or delivering such rules and regulations. In case of any railroad such rules and regulations shall be delivered to the section foreman, or to any official of the railroad having offices within the state. Such rules and regulations must be delivered, posted, or mailed by the weed inspector as herein provided at least ten days before the time to start any annual operations necessary to comply with such rules and regulations: PROVIDED, That after such district shall have been in operation two years such rules and regulations shall be delivered to resident landowners only once every three years, unless such rules and regulations are changed.

Sec. 449. RCW 17.04.200 and 1961 c 250 s 6 are each amended to read as follows:

(1) If the weed inspector, or the board of directors, shall find that the rules and regulations of the weed district are not being carried out on any one or more parcels of land within such district, the weed inspector shall give forthwith a notice in writing, on a form to be prescribed by the directors, to the owners, tenants, mortgagees, and occupants, or to the accredited resident agent of any nonresident owner of such lands within the district whereon noxious weeds are standing, being or growing and in danger of going to seed, requiring him or her to cause the same to be cut down, otherwise destroyed or eradicated on such lands in the manner and within the time specified in the notice, such time, however, not to exceed seven days. It shall be the duty of the county auditor and county treasurer to make available to the weed inspector lists of owners, tenants, and mortgagees of lands within such district;

(2) If a resident agent of any nonresident owner of lands where noxious weeds are found standing, being, or growing cannot be found, the local weed inspector shall post said notice in the form provided by the directors in three conspicuous places on said land, and in addition to posting said notice the local weed inspector shall, at the same time mail a copy thereof by registered or certified mail with return receipt requested to the owner of such nonresident lands, if his or her post office address is known or can be ascertained by said inspector from the last tax list in the county treasurer's office, and it shall be the duty of the treasurer to furnish such lists upon request by the weed inspector. Proof of such serving, posting, and mailing of notice by the weed inspector shall be made by affidavit forthwith filed in the office of the county auditor and it shall be the duty of the county auditor to accept and file such affidavits;

(3) If the weeds are not cut down, otherwise destroyed, or eradicated within the time specified in said notice, the local weed inspector shall personally, or with such help as he or she may require, cause the same to be cut down or otherwise destroyed in the manner specified in said notice.

Sec. 450. RCW 17.04.210 and 1961 c 250 s 7 are each amended to read as follows:

The weed inspector shall keep an accurate account of expenses incurred by him or her in carrying out the provisions of this chapter with respect to each parcel of land entered upon, and the prosecuting attorney of the county or the attorney for the weed district shall cause to be served, mailed, or posted in the same manner as provided in this chapter for giving notice to destroy noxious weeds, a statement of such expenses, including description of the land, verified by oath of the weed inspector to the owner, lessee, mortgagee, occupant or agent, or person having charge of said land, and coupled with such statement shall be a notice subscribed by said prosecuting attorney or attorney for the weed district and naming a time and place when and where such matter will be brought before the board of directors of such district for hearing and determination, said statement or notice to be served, mailed, or posted, as the case may be, at least ten days before the time for such hearing.

Sec. 451. RCW 17.04.230 and 1988 c 202 s 21 are each amended to read as follows:

Any interested party may appeal from the decision and order of the board of directors of such district to the superior court of the county in which such district is located, by serving written notice of appeal on the (~~chairman~~) chair of the

board of directors and by filing in the office of the clerk of the superior court a copy of said notice of appeal with proof of service attached, together with a good and sufficient cost bond in the sum of two hundred dollars, said cost bond to run to such district and in all respects to comply with the laws relating to cost bonds required of nonresident plaintiffs in the superior court. Said notice must be served and filed within ten days from the date of the decision and order of such board of directors, and said bond must be filed within five days after the filing of such notice of appeal. Whenever notice of appeal and the cost bond as herein provided shall have been filed with the clerk of the superior court, the clerk shall notify the board of directors of such district thereof, and such board shall forthwith certify to said court all notices and records in said matters, together with proof of service, and a true copy of the order and decision pertaining thereto made by such board. If no appeal be perfected within ten days from the decision and order of such board, the same shall be deemed confirmed and the board shall certify the amount of such charges to the county treasurer who shall enter the same on the tax rolls against the land. When an appeal is perfected the matter shall be heard in the superior court de novo and the court's decision shall be conclusive on all persons served under this chapter: PROVIDED, That appellate review of the order or decision of the superior court in the manner provided by existing laws, and upon the conclusion of such review, the amount of charges and costs adjudged to be paid shall be certified by the clerk of the superior court to the county treasurer and said treasurer shall proceed to enter the same on his or her rolls against the lands affected.

Sec. 452. RCW 17.04.280 and 1961 c 250 s 10 are each amended to read as follows:

All weed district directors, all weed inspectors, and all official agents of all weed districts, in the performance of their official duties, have the right to enter and go upon any of the lands within their weed district at any reasonable time for any reason necessary to effectuate the purposes of the weed district. Any person who prevents or threatens to prevent any lawful agent of the weed district, after said agent identifies himself or herself and the purpose for which he or she is going upon the land, from entering or going upon the land within said weed district at a reasonable time and for a lawful purpose of the weed district, is guilty of a misdemeanor.

Sec. 453. RCW 17.06.040 and 1959 c 205 s 4 are each amended to read as follows:

At the time and place fixed for such hearing, with the (~~chairman~~) chair of the principal board acting as (~~chairman~~) chair, the respective boards shall determine by a majority vote of each of the boards of county commissioners of the counties whether such intercounty weed district shall be created, and if they determine that such district shall be created, the respective boards shall fix the boundaries of the portion of the proposed district within their respective counties, but they shall not modify the purposes of the petition with respect to the weed or weeds to be destroyed, prevented, and exterminated as set forth in the petition, and they shall not enlarge the boundary of the proposed district, or enlarge or change the boundary or boundaries of any district or districts already formed without first giving notice, as provided in RCW 17.06.030, to all landowners interested. If the respective bodies shall determine that the weed

district petitioned for shall be created each such board shall thereupon enter an order establishing and defining the boundary lines of the proposed district within its respective county. A number shall be assigned to such weed district which shall be the lowest number not already taken or adopted by an intercounty weed district in the state, and thereafter such district shall be known as "weed district No. . . .", inserting in the blank the number of the district.

If any county represented does not by a majority vote of its board of commissioners support the petition for an intercounty district, the petition shall be dismissed.

Sec. 454. RCW 17.06.050 and 1971 ex.s. c 292 s 16 are each amended to read as follows:

If the respective boards of county commissioners establish such district the ((~~chairman~~)) chair of the principal board shall call a special meeting of landowners to be held within such district for the purpose of electing three directors for such district. No person shall be eligible to hold the office of director who is not a qualified elector of the state of Washington and a resident and landowner within such district. Such meeting shall be held not less than thirty nor more than ninety days from the date when such district is established.

Notice of such meeting shall be given by the principal county auditor by publication once a week for three successive weeks in a newspaper of general circulation in such district, and by posting such notice for not less than ten days before the date fixed for such meeting in three public places within the boundaries of such district. The notices shall state the object of the meeting and the time and place when the same shall be held.

At the time and place fixed for the meeting the ((~~chairman~~)) chair shall appoint two persons to assist him or her in conducting the election, one of whom shall act as clerk. If such ((~~chairman~~)) chair be not present the electors of such district then present shall elect a ((~~chairman~~)) chair of the meeting.

Every person who is a landowner within such district and a qualified elector of the state of Washington shall be entitled to vote at such meeting. Any person offering to vote may be challenged by any legally qualified elector of such district, and the ((~~chairman~~)) chair of such meeting shall thereupon administer to the person challenged an oath in substance as follows: "You do swear (or affirm) that you are a citizen of the United States and a qualified elector of the state of Washington and an owner of land within the boundaries of weed district No. . . . (giving number of district)." If the challenged person shall take such oath or make such affirmation, he or she shall be entitled to vote; otherwise his or her vote shall not be received. Any person making a false oath, or affirmation, or any person illegally voting at such meeting, shall be punished as provided in the general election laws of the state for illegal voting.

The vote shall be by secret ballot, on white paper of uniform size and quality, of such arrangement that when names are written thereon, the same may be folded so as not to disclose the names. The elector shall write the names of three persons that he or she desires as the first directors of such district and shall fold his or her ballot and hand the same to the ((~~chairman~~)) chair of the meeting who shall deposit it in a ballot box provided for that purpose. The clerk shall thereupon write the name of such person on a list as having voted at such election. After all persons present and entitled to vote have voted, the ((~~chairman~~)) chair shall declare the election closed, and shall, with the assistance

of the clerk and the other person appointed as assistant, proceed to count the ballots. The person receiving the greatest number of votes shall be elected as director for a term ending three years from the first Monday in March following his or her election; the person receiving the second greatest number of votes shall be elected for a term ending two years from the first Monday in March following his or her election, and the person receiving the third greatest number of votes shall be elected for a term ending one year from the first day of March following his or her election.

Annually thereafter, there shall be held a meeting of the electors of such district on the first Monday in February. At such meeting one director shall be elected to succeed the director whose term will expire on the first Monday in March following. The directors shall call the annual meeting, and shall fix the time when and place where the same shall be held and shall give the same notice thereof as provided for the initial meeting. The annual meeting shall be conducted in the same manner as is provided for the initial meeting, and the qualifications of electors at such annual meeting shall be the same as is required for the initial meeting.

All directors shall hold office for the term for which they are elected, and until their successors are elected and qualified. In case of a vacancy occurring in the office of any director, the remaining members of the board of directors shall appoint a qualified person to fill the vacancy for the unexpired term. The board of directors shall elect one of its members (~~(chairman)~~) chair and may appoint a secretary who need not be a member of the board, and who shall be paid such compensation as the board may determine. Each director shall furnish a bond in the sum of one thousand dollars, which may be a surety company bond or property bond approved by the principal board of county commissioners, which bond shall be filed with the same board and shall be conditioned for the faithful discharge of his or her duties. The cost of such bond shall be paid by the district the same as other expenses of the district.

At any annual meeting the method for destroying, preventing, and exterminating weeds of such district as set forth in the petition, and the rules and regulations adopted by such district, may be changed by a majority vote of the qualified electors present at such meeting, or a special meeting may be called for that purpose, notice of which meeting and of such proposed changes to be voted on, shall be given to all landowners residing within the district by mailing a copy of such notice and of such proposed changes to the address of such landowner at least one week before the date fixed for such special meeting.

Sec. 455. RCW 17.06.060 and 1959 c 205 s 6 are each amended to read as follows:

The board of directors of an intercounty weed district shall have the same powers and duties as the board of directors of a weed district located entirely within one county, and all the provisions of chapter 17.04 RCW are hereby made applicable to intercounty weed districts: PROVIDED, That in the case of evaluation, assessment, collection, apportionment, and any other allied power or duty relating to taxes in connection with the district, the action shall be performed by the officer or board of the county for that area of the district which is located within his or her respective county, and all materials, information, and other data and all moneys collected shall be submitted to the proper officer of the county of that part of the district in which the greatest amount of acreage is

located. Any power which may be or duty which shall be performed in connection therewith shall be performed by the officer or board receiving such as though only a district in a single county were concerned. All moneys collected from such area constituting a part of such district that should be paid to such district shall be delivered to the principal county treasurer who shall be ex officio treasurer of such district. All other materials, information, or data relating to the district shall be submitted to the district board of directors.

Any costs or expenses incurred under this section shall be borne proportionately by each county involved.

Sec. 456. RCW 17.10.280 and 1987 c 438 s 35 are each amended to read as follows:

Every activated county noxious weed control board performing labor, furnishing material, or renting, leasing, or otherwise supplying equipment, to be used in the control of noxious weeds, or in causing control of noxious weeds, upon any property pursuant to the provisions of chapter 17.10 RCW has a lien upon such property for the labor performed, material furnished, or equipment supplied whether performed, furnished, or supplied with the consent of the owner, or his or her agent, of such property, or without the consent of said owner or agent.

Sec. 457. RCW 17.10.290 and 1987 c 438 s 36 are each amended to read as follows:

Every county noxious weed control board furnishing labor, materials, or supplies or renting, leasing, or otherwise supplying equipment to be used in the control of noxious weeds upon any property pursuant to RCW 17.10.160 and 17.10.170 or pursuant to an order under RCW 17.10.210 as now or hereafter amended, shall give to the owner or reputed owner or his or her agent a notice in writing, within ninety days from the date of the cessation of the performance of such labor, the furnishing of such materials, or the supplying of such equipment, which notice shall cover the labor, material, supplies, or equipment furnished or leased, as well as all subsequent labor, materials, supplies, or equipment furnished or leased, stating in substance and effect that such county noxious weed control board is furnishing or has furnished labor, materials and supplies or equipment for use thereon, with the name of the county noxious weed control board ordering the same, and that a lien may be claimed for all materials and supplies or equipment furnished by such county noxious weed control board for use thereon, which notice shall be given by mailing the same by registered or certified mail in an envelope addressed to the owner at his or her place of residence or reputed residence.

Sec. 458. RCW 17.12.060 and 1977 ex.s. c 169 s 4 are each amended to read as follows:

The agricultural expert in counties having an agricultural expert, shall under the direction of Washington State University have general supervision of the methods and means of preventing, destroying, or exterminating any animals or rodents as herein mentioned within his or her county, and of how the funds of any pest district shall be expended to best accomplish the purposes for which such funds were raised; in counties having no such agricultural expert each county commissioner shall be within his or her respective commissioner district, ex officio supervisor, or the board may designate some such person to so act, and

shall fix his or her compensation therefor. Whenever any member of the board shall act as supervisor he or she shall be entitled to his or her actual expenses and his or her per diem as county commissioner the same as if he or she were doing other county business.

Sec. 459. RCW 17.12.080 and 1973 c 106 s 11 are each amended to read as follows:

Whenever there shall be included within any pest district lands belonging to the state or to the county the board of county commissioners shall determine the amount of the tax or assessment for which such land would be liable if the same were in private ownership for each subdivision of forty acres or fraction thereof. The assessor shall transmit to the county commissioners a statement of the amounts so due from county lands and the county commissioners shall appropriate from the current expense fund of the county sufficient money to pay such amounts. A statement of the amounts due from state lands within each county shall be annually forwarded to the commissioner of public lands who shall examine the same and if he or she finds the same correct and that the determination was made according to law, he or she shall certify the same and issue a warrant for the payment of same against any funds in the state treasury appropriated for such purposes.

The commissioner of public lands shall keep a record of the amounts so paid on account of any state lands which are under lease or contract of sale and such amounts shall be added to and become a part of the annual rental or purchase price of the land, and shall be paid annually at the time of payment of rent or payment of interest or purchase price of such land. When such amounts shall be collected by the commissioner of public lands it shall be paid into the general fund in the state treasury.

Sec. 460. RCW 17.21.170 and 1994 c 283 s 20 are each amended to read as follows:

The following requirements apply to the amount of bond or insurance required for commercial applicators:

(1) The amount of the surety bond or liability insurance, as provided for in RCW 17.21.160, shall be not less than fifty thousand dollars for property damage and public liability insurance, each separately, and including loss or damage arising out of the actual use of any pesticide. The surety bond or liability insurance shall be maintained at not less than that sum at all times during the licensed period.

(2) The property damage portion of this requirement may be waived by the director if it can be demonstrated by the applicant that all applications performed under this license occur under confined circumstances and on property owned or leased by the applicant.

(3) The director shall be notified ten days before any reduction of insurance coverage at the request of the applicant or cancellation of the surety bond or liability insurance by the surety or insurer and by the insured.

(4) The total and aggregate of the surety and insurer for all claims is limited to the face of the bond or liability insurance policy. The director may accept a liability insurance policy or surety bond in the proper sum which has a deductible clause in an amount not exceeding five thousand dollars for all applicators for the total amount of liability insurance or surety bond required by

this section, but if the applicant has not satisfied the requirement of the deductible amount in any prior legal claim the deductible clause shall not be accepted by the director unless the applicant furnishes the director with a surety bond or liability insurance which shall satisfy the amount of the deductible as to all claims that may arise in his or her application of pesticides.

Sec. 461. RCW 17.24.210 and 1982 c 153 s 3 are each amended to read as follows:

The director of agriculture may, on the behalf of the state of Washington, enter into indemnity contracts wherein the state of Washington agrees to repay any person, firm, corporation, or other entity acting under the direction or control of the proper authority to provide plant pest or plant disease prevention, control, or eradication measures as provided in this chapter or any rule adopted pursuant to the provisions of this chapter, for losses and damages incurred as a result of such prevention, control, or eradication measures if all of the following conditions occur:

(1) At the time of the incident the worker is performing services as an emergency measures worker and is acting within the course of his or her duties as an emergency measures worker;

(2) At the time of the injury, loss, or damage, the organization providing emergency measures by which the worker is employed is an approved organization for providing emergency measures;

(3) The injury, loss, or damage is proximately caused by his or her service either with or without negligence as an emergency measures worker;

(4) The injury, loss, or damage is not caused by the intoxication of the worker; and

(5) The injury, loss, or damage is not due to (~~wilful~~) willful misconduct or gross negligence on the part of a worker.

Where an act or omission by an emergency services provider in the course of providing emergency services injures a person or property, the provider and the state may be jointly and severally liable for the injury, if state liability is proved under existing or hereafter enacted law.

Each person, firm, corporation, or other entity authorized to provide the prevention, control, or eradication measures implementing a program approved under RCW 17.24.200 shall be identified on a list approved by the director. For the purposes of this section, each person on the list shall be known, for the duration of the person's services under the program, as "an emergency measures worker."

Sec. 462. RCW 17.28.030 and 1957 c 153 s 3 are each amended to read as follows:

Before a city can be included as a part of the proposed district its governing body shall have requested that the city be included by resolution, duly authenticated.

The petition shall set forth and describe the boundaries of the proposed district and it shall request that it be organized as a mosquito control district. Upon receipt of such a petition, the auditor of the county in which the greater area of the proposed district is located shall be charged with the responsibility of examining the same and certifying to the sufficiency of the signatures thereon. For the purpose of examining the signatures on such petitions, the auditor shall

be permitted access to the voters' registration books of each city and county located in the proposed district and may appoint the respective county auditors and city clerks thereof as his or her deputies. No person may withdraw his or her name from a petition after it has been filed with the auditor. Within thirty days following the receipt of such petition, the auditor shall transmit the same to the board of commissioners of the county in which the greater area of the proposed district is located, together with his or her certificate as to the sufficiency thereof.

Sec. 463. RCW 17.28.070 and 1957 c 153 s 7 are each amended to read as follows:

If the county commissioners deem it proper to include any territory not proposed for inclusion within the proposed boundaries, they shall first cause notice of intention to do so to be mailed to each owner of land in the territory whose name appears as owner on the last completed assessment roll of the county in which the territory lies, addressed to the owner at his or her address given on the assessment roll, or if no address is given, to his or her last known address; or if it is not known, at the county seat of the county in which his or her land lies. The notice shall describe the territory and shall fix a time, not less than two weeks from the date of mailing, when all persons interested may appear before the county commissioners and be heard.

The boundaries of a district lying in a city shall not be altered unless the governing board of the city, by resolution, consents to the alteration.

Sec. 464. RCW 17.28.090 and 1957 c 153 s 9 are each amended to read as follows:

If, from the testimony given before the county commissioners, it appears to that board that the public necessity or welfare requires the formation of the district, it shall, by an order entered on its minutes, declare that to be its finding, and shall further declare and order that the territory within the boundaries so fixed and determined be organized as a district, under an appropriate name to be selected by the county commissioners, subject to approval of the voters of the district as hereinafter provided. The name shall contain the words "mosquito control district."

At the time of the declaration establishing and naming the district, the county commissioners shall by resolution call a special election to be held not less than thirty days and not more than sixty days from the date thereof, and shall cause to be published a notice of such election at least once a week for three consecutive weeks in a newspaper of general circulation in the county, setting forth the hours during which the polls will be open, the boundaries of the proposed district as finally adopted, and the object of the election. If any portion of the proposed district lies in another county, a notice of such election shall likewise be published in that county.

The election on the formation of the mosquito control district shall be conducted by the auditor of the county in which the greater area of the proposed district is located in accordance with the general election laws of the state and the results thereof shall be canvassed by that county's canvassing board. For the purpose of conducting an election under this section, the auditor of the county in which the greater area of the proposed district is located may appoint the auditor of any county or the city clerk of any city lying wholly or partially within the proposed district as his or her deputies. No person shall be entitled to vote at

such election unless he or she is a qualified voter under the laws of the state in effect at the time of such election and has resided within the mosquito control district for at least thirty days preceding the date of the election. The ballot proposition shall be in substantially the following form:

"Shall a mosquito control district be established for the area described in a resolution of the board of commissioners of county adopted on the day of, 19?"

YES
NO

If a majority of the persons voting on the proposition shall vote in favor thereof, the mosquito control district shall thereupon be established and the county commissioners of the county in which the greater area of the district is situated shall immediately file for record in the office of the county auditor of each county in which any portion of the land embraced in the district is situated, and shall also forward to the county commissioners of each of the other counties, if any, in which any portion of the district is situated, and also shall file with the secretary of state, a certified copy of the order of the county commissioners. From and after the date of the filing of the certified copy with the secretary of state, the district named therein is organized as a district, with all the rights, privileges, and powers set forth in this chapter, or necessarily incident thereto.

If a majority of the persons voting on the proposition shall vote in favor thereof, all expenses of the election shall be paid by the mosquito control district when organized. If the proposition fails to receive a majority of votes in favor, the expenses of the election shall be borne by the respective counties in which the district is located in proportion to the number of votes cast in said counties.

Sec. 465. RCW 17.28.120 and 1957 c 153 s 12 are each amended to read as follows:

The district board shall be called "The board of trustees of mosquito control district."

Each member of the board appointed by the governing body of a city shall be an elector of the city from which he or she is appointed and a resident of that portion of the city which is in the district.

Each member appointed from a county or portion of a county shall be an elector of the county and a resident of that portion of the county which is in the district.

Each member appointed at large shall be an elector of the district.

Sec. 466. RCW 17.28.130 and 1957 c 153 s 13 are each amended to read as follows:

The members of the first board in any district shall classify themselves by lot at their first meeting so that:

(1) If the total membership is an even number, the terms of one-half the members will expire at the end of one year, and the terms of the remainder at the end of two years, from the second day of the calendar year next succeeding their appointment.

(2) If the total membership is an odd number, the terms of a bare majority of the members will expire at the end of one year, and the terms of the remainder at the end of two years, from the second day of the calendar year next succeeding their appointment.

The term of each subsequent member is two years from and after the expiration of the term of his or her predecessor.

In event of the resignation, death, or disability of any member, his or her successor shall be appointed by the governing body which appointed him or her.

Sec. 467. RCW 17.28.250 and 1957 c 153 s 25 are each amended to read as follows:

Any person who obstructs, hinders, or interferes with the entry upon any land within the district of any officer or employee of the district in the performance of his or her duty, and any person who obstructs, interferes with, molests, or damages any work performed by the district, is guilty of a misdemeanor.

Sec. 468. RCW 17.28.258 and 1959 c 64 s 10 are each amended to read as follows:

The county treasurer shall collect all mosquito control district assessments, and the duties and responsibilities herein imposed upon him or her shall be among the duties and responsibilities of his or her office for which his or her bond is given as county treasurer. The collection and disposition of revenue from such assessments and the depository thereof shall be the same as for tax revenues of such districts as provided in RCW 17.28.270.

Sec. 469. RCW 17.28.310 and 1957 c 153 s 31 are each amended to read as follows:

It shall be the duty of the assessor of each county lying wholly or partially within the district to certify annually to the board the aggregate assessed valuation of all taxable property in his or her county situated in any mosquito control district as the same appears from the last assessment roll of his or her county.

Sec. 470. RCW 17.28.430 and 1957 c 153 s 43 are each amended to read as follows:

Should two-thirds or more of the votes at the election favor dissolution the district board shall certify that fact to the secretary of state. Upon receipt of such certification the secretary of state shall issue his or her certificate reciting that the district (naming it) has been dissolved, and shall transmit to and file a copy with the county clerk of each county in which any portion of the district is situated.

After the date of the certificate of the secretary of state, the district is dissolved.

Sec. 471. RCW 17.34.040 and 1969 ex.s. c 130 s 4 are each amended to read as follows:

The compact administrator for this state shall be the director of agriculture. The duties of the compact administrator shall be deemed a regular part of his or her office.

Sec. 472. RCW 17.34.050 and 1969 ex.s. c 130 s 5 are each amended to read as follows:

Within the meaning of Article VI(B) or VIII(A), a request or application for assistance from the insurance fund may be made by the director of agriculture whenever in his or her judgment the conditions qualifying this state for such

assistance exist and it would be in the best interest of this state to make such request.

Sec. 473. RCW 17.34.060 and 1969 ex.s. c 130 s 6 are each amended to read as follows:

The department, agency, or officer expending or becoming liable for an expenditure on account of a control or eradication program undertaken or intensified pursuant to the compact shall have credited to his or her account in the state treasury the amount or amounts of any payments made to this state to defray the cost of such program, or any part thereof, or as reimbursement thereof.

Sec. 474. RCW 18.27.080 and 2007 c 436 s 5 are each amended to read as follows:

No person engaged in the business or acting in the capacity of a contractor may bring or maintain any action in any court of this state for the collection of compensation for the performance of any work or for breach of any contract for which registration is required under this chapter without alleging and proving that he or she was a duly registered contractor and held a current and valid certificate of registration at the time he or she contracted for the performance of such work or entered into such contract. For the purposes of this section, the court shall not find a contractor in substantial compliance with the registration requirements of this chapter unless: (1) The department has on file the information required by RCW 18.27.030; (2) the contractor has at all times had in force a current bond or other security as required by RCW 18.27.040; and (3) the contractor has at all times had in force current insurance as required by RCW 18.27.050. In determining under this section whether a contractor is in substantial compliance with the registration requirements of this chapter, the court shall take into consideration the length of time during which the contractor did not hold a valid certificate of registration.

Sec. 475. RCW 18.27.100 and 2008 c 120 s 2 are each amended to read as follows:

(1) Except as provided in RCW 18.27.065 for partnerships and joint ventures, no person who has registered under one name as provided in this chapter shall engage in the business, or act in the capacity, of a contractor under any other name unless such name also is registered under this chapter.

(2) All advertising and all contracts, correspondence, cards, signs, posters, papers, and documents which show a contractor's name or address shall show the contractor's name or address as registered under this chapter.

(3)(a) All advertising that shows the contractor's name or address shall show the contractor's current registration number. The registration number may be omitted in an alphabetized listing of registered contractors stating only the name, address, and telephone number: PROVIDED, That signs on motor vehicles subject to RCW (~~46.16.010~~) 46.16A.030 and on-premise signs shall not constitute advertising as provided in this section. All materials used to directly solicit business from retail customers who are not businesses shall show the contractor's current registration number. A contractor shall not use a false or expired registration number in purchasing or offering to purchase an advertisement for which a contractor registration number is required.

Advertising by airwave transmission shall not be subject to this subsection (3)(a).

(b) The director may issue a subpoena to any person or entity selling any advertising subject to this section for the name, address, and telephone number provided to the seller of the advertising by the purchaser of the advertising. The subpoena must have enclosed a stamped, self-addressed envelope and blank form to be filled out by the seller of the advertising. If the seller of the advertising has the information on file, the seller shall, within a reasonable time, return the completed form to the department. The subpoena must be issued no more than two days after the expiration of the issue or publication containing the advertising or after the broadcast of the advertising. The good-faith compliance by a seller of advertising with a written request of the department for information concerning the purchaser of advertising shall constitute a complete defense to any civil or criminal action brought against the seller of advertising arising from such compliance. Advertising by airwave or electronic transmission is subject to this subsection (3)(b).

(4) No contractor shall advertise that he or she is bonded and insured because of the bond required to be filed and sufficiency of insurance as provided in this chapter.

(5) A contractor shall not falsify a registration number and use it, or use an expired registration number, in connection with any solicitation or identification as a contractor. All individual contractors and all partners, associates, agents, ~~((salesmen))~~ salespersons, solicitors, officers, and employees of contractors shall use their true names and addresses at all times while engaged in the business or capacity of a contractor or activities related thereto.

(6) Any advertising by a person, firm, or corporation soliciting work as a contractor when that person, firm, or corporation is not registered pursuant to this chapter is a violation of this chapter.

(7) An applicant or registrant who falsifies information on an application for registration commits a violation under this section.

(8)(a) The finding of a violation of this section by the director at a hearing held in accordance with the Administrative Procedure Act, chapter 34.05 RCW, shall subject the person committing the violation to a penalty of not more than ten thousand dollars as determined by the director.

(b) Penalties under this section shall not apply to a violation determined to be an inadvertent error.

Sec. 476. RCW 18.28.210 and 1967 c 201 s 21 are each amended to read as follows:

The attorney general may accept an assurance of discontinuance of any act or practice deemed in violation of this chapter in the enforcement thereof from any person engaging in or who has engaged in such act or practice. Any such assurance shall be in writing and be filed with and subject to the approval of the superior court of the county in which the alleged violator resides or has his or her principal place of business, or in the alternative, in Thurston county. Failure to perform the terms of any such assurance shall constitute prima facie proof of a violation of this chapter for the purpose of securing any injunction as provided for in RCW 18.28.200: PROVIDED, That after commencement of any action by a prosecuting attorney, as provided therein, the attorney general may not

accept an assurance of discontinuance without the consent of said prosecuting attorney.

Sec. 477. RCW 18.32.020 and 1996 c 259 s 1 are each amended to read as follows:

A person practices dentistry, within the meaning of this chapter, who (1) represents himself or herself as being able to diagnose, treat, remove stains and concretions from teeth, operate or prescribe for any disease, pain, injury, deficiency, deformity, or physical condition of the human teeth, alveolar process, gums, or jaw, or (2) offers or undertakes by any means or methods to diagnose, treat, remove stains or concretions from teeth, operate or prescribe for any disease, pain, injury, deficiency, deformity, or physical condition of the same, or take impressions of the teeth or jaw, or (3) owns, maintains, or operates an office for the practice of dentistry, or (4) engages in any of the practices included in the curricula of recognized and approved dental schools or colleges, or (5) professes to the public by any method to furnish, supply, construct, reproduce, or repair any prosthetic denture, bridge, appliance, or other structure to be worn in the human mouth.

The fact that a person uses any dental degree, or designation, or any card, device, directory, poster, sign, or other media whereby he or she represents himself or herself to be a dentist, shall be prima facie evidence that such person is engaged in the practice of dentistry.

X-ray diagnosis as to the method of dental practice in which the diagnosis and examination is made of the normal and abnormal structures, parts, or functions of the human teeth, the alveolar process, maxilla, mandible or soft tissues adjacent thereto, is hereby declared to be the practice of dentistry. Any person other than a regularly licensed physician or surgeon who makes any diagnosis or interpretation or explanation, or attempts to diagnose or to make any interpretation or explanation of the registered shadow or shadows of any part of the human teeth, alveolar process, maxilla, mandible or soft tissues adjacent thereto by the use of X-ray is declared to be engaged in the practice of dentistry, medicine, or surgery.

The practice of dentistry includes the performance of any dental or oral and maxillofacial surgery. "Oral and maxillofacial surgery" means the specialty of dentistry that includes the diagnosis and surgical and adjunctive treatment of diseases, injuries, and defects of the hard and soft tissues of the oral and maxillofacial region.

Sec. 478. RCW 18.32.735 and 1935 c 112 s 28 are each amended to read as follows:

Any licensed dentist who shall permit any dental hygienist operating under his or her supervision to perform any operation required to be performed by a dentist under the provisions of this chapter shall be guilty of a misdemeanor.

Sec. 479. RCW 18.34.010 and 2010 c 16 s 1 are each amended to read as follows:

Nothing in this chapter shall:

(1) Be construed to limit or restrict a duly licensed physician or optometrist or employees working under the personal supervision of a duly licensed physician or optometrist from the practices enumerated in this chapter, and each

such licensed physician and optometrist shall have all the rights and privileges which may accrue under this chapter to dispensing opticians licensed hereunder;

(2) Be construed to prohibit or restrict practice by a regularly enrolled student in a prescribed course in opticianry in a college or university approved by the secretary whose performance of services is pursuant to a regular course of instruction or assignments from an instructor and under the supervision of a licensed dispensing optician, optometrist, or ophthalmologist: PROVIDED, That persons practicing under this section must be clearly identified as students;

(3) Be construed to prohibit an unlicensed person from performing mechanical work upon inert matter in an optical office, laboratory, or shop;

(4) Be construed to prohibit an unlicensed person from engaging in the sale of spectacles, eyeglasses, magnifying glasses, goggles, sunglasses, telescopes, binoculars, or any such articles which are completely preassembled and sold only as merchandise;

(5) Be construed to authorize or permit a licensee hereunder to hold himself or herself out as being able to, or to offer to, or to undertake to attempt, by any manner or means, to examine or exercise eyes, diagnose, treat, correct, relieve, operate, or prescribe for any human ailment, deficiency, deformity, disease, or injury.

Sec. 480. RCW 18.43.010 and 1947 c 283 s 1 are each amended to read as follows:

In order to safeguard life, health, and property, and to promote the public welfare, any person in either public or private capacity practicing or offering to practice engineering or land surveying, shall hereafter be required to submit evidence that he or she is qualified so to practice and shall be registered as hereinafter provided; and it shall be unlawful for any person to practice or to offer to practice in this state, engineering or land surveying, as defined in the provisions of this chapter, or to use in connection with his or her name or otherwise assume, use, or advertise any title or description tending to convey the impression that he or she is a professional engineer or a land surveyor, unless such a person has been duly registered under the provisions of this chapter.

Sec. 481. RCW 18.43.030 and 1986 c 102 s 1 are each amended to read as follows:

A state board of registration for professional engineers and land surveyors is hereby created which shall exercise all of the powers and perform all of the duties conferred upon it by this chapter. After July 9, 1986, the board shall consist of seven members, who shall be appointed by the governor and shall have the qualifications as hereinafter required. The terms of board members in office on June 11, 1986, shall not be affected. The first additional member shall be appointed for a four-year term and the second additional member shall be appointed for a three-year term. On the expiration of the term of any member, the governor shall appoint a successor for a term of five years to take the place of the member whose term on said board is about to expire. However, no member shall serve more than two consecutive terms on the board. Each member shall hold office until the expiration of the term for which such member is appointed or until a successor shall have been duly appointed and shall have qualified.

Five members of the board shall be registered professional engineers licensed under the provisions of this chapter. Two members shall be registered

professional land surveyors licensed under this chapter. Each of the members of the board shall have been actively engaged in the practice of engineering or land surveying for at least ten years subsequent to registration, five of which shall have been immediately prior to their appointment to the board.

Each member of the board shall be a citizen of the United States and shall have been a resident of this state for at least five years immediately preceding his or her appointment.

Each member of the board shall be compensated in accordance with RCW 43.03.240 and, in addition thereto, shall be reimbursed for travel expenses incurred in carrying out the provisions of this chapter in accordance with RCW 43.03.050 and 43.03.060.

The governor may remove any member of the board for misconduct, incompetency, or neglect of duty. Vacancies in the membership of the board shall be filled for the unexpired term by appointment by the governor as hereinabove provided.

Sec. 482. RCW 18.43.070 and 1995 c 356 s 4 are each amended to read as follows:

The director of licensing shall issue a certificate of registration upon payment of a registration fee as provided for in this chapter, to any applicant who, in the opinion of the board, has satisfactorily met all the requirements of this chapter. In case of a registered engineer, the certificate shall authorize the practice of "professional engineering" and specify the branch or branches in which specialized, and in case of a registered land surveyor, the certificate shall authorize the practice of "land surveying."

In case of engineer-in-training, the certificate shall state that the applicant has successfully passed the examination in fundamental engineering subjects required by the board and has been enrolled as an "engineer-in-training." In case of land-surveyor-in-training, the certificate shall state that the applicant has successfully passed the examination in fundamental surveying subjects required by the board and has been enrolled as a "land-surveyor-in-training." All certificates of registration shall show the full name of the registrant, shall have a serial number, and shall be signed by the (~~chairman~~) chair and the secretary of the board and by the director of licensing.

The issuance of a certificate of registration by the director of licensing shall be prima facie evidence that the person named therein is entitled to all the rights and privileges of a registered professional engineer or a registered land surveyor, while the said certificate remains unrevoked and unexpired.

Each registrant hereunder shall upon registration obtain a seal of the design authorized by the board, bearing the registrant's name and the legend "registered professional engineer" or "registered land surveyor." Plans, specifications, plats, and reports prepared by the registrant shall be signed, dated, and stamped with said seal or facsimile thereof. Such signature and stamping shall constitute a certification by the registrant that the same was prepared by or under his or her direct supervision and that to his or her knowledge and belief the same was prepared in accordance with the requirements of the statute. It shall be unlawful for anyone to stamp or seal any document with said seal or facsimile thereof after the certificate of registrant named thereon has expired or been revoked, unless said certificate shall have been renewed or reissued.

Sec. 483. RCW 18.43.120 and 1986 c 102 s 4 are each amended to read as follows:

Any person who shall practice, or offer to practice, engineering or land surveying in this state without being registered in accordance with the provisions of the chapter, or any person presenting or attempting to use as his or her own the certificate of registration or the seal of another, or any person who shall give any false or forged evidence of any kind to the board or to any member thereof in obtaining a certificate of registration, or any person who shall falsely impersonate any other registrant, or any person who shall attempt to use the expired or revoked certificate of registration, or any person who shall violate any of the provisions of this chapter shall be guilty of a gross misdemeanor.

It shall be the duty of all officers of the state or any political subdivision thereof, to enforce the provisions of this chapter. The attorney general shall act as legal adviser of the board, and render such legal assistance as may be necessary in carrying out the provisions of this chapter.

Sec. 484. RCW 18.44.500 and 1995 c 238 s 3 are each amended to read as follows:

There is established an escrow commission of the state of Washington, to consist of the director of financial institutions or his or her designee as ~~((chairman))~~ chair, and five other members who shall act as advisors to the director as to the needs of the escrow profession, including but not limited to the design and conduct of tests to be administered to applicants for escrow licenses, the schedule of license fees to be applied to the escrow licensees, educational programs, audits and investigations of the escrow profession designed to protect the consumer, and such other matters determined appropriate. The director is hereby empowered to and shall appoint the other members, each of whom shall have been a resident of this state for at least five years and shall have at least five years experience in the practice of escrow as an escrow agent or as a person in responsible charge of escrow transactions.

The members of the first commission shall serve for the following terms: One member for one year, one member for two years, one member for three years, one member for four years, and one member for five years, from the date of their appointment, or until their successors are duly appointed and qualified. Every member of the commission shall receive a certificate of appointment from the director and before beginning the member's term of office shall file with the secretary of state a written oath or affirmation for the faithful discharge of the member's official duties. On the expiration of the term of each member, the director shall appoint a successor to serve for a term of five years or until the member's successor has been appointed and qualified.

The director may remove any member of the commission for cause. Vacancies in the commission for any reason shall be filled by appointment for the unexpired term.

Members shall be compensated in accordance with RCW 43.03.240, and shall be reimbursed for their travel expenses incurred in carrying out the provisions of this chapter in accordance with RCW 43.03.050 and 43.03.060.

Sec. 485. RCW 18.44.901 and 1965 c 153 s 20 are each amended to read as follows:

Nothing in this chapter shall be so construed as to authorize any escrow agent, or his or her employees or agents, to engage in the practice of law, and nothing in this chapter shall be so construed as to impose any additional liability on any depository authorized by this chapter and the receipt or acquittance of the persons so paid by such depository shall be a valid and sufficient release and discharge of such depository.

Sec. 486. RCW 18.51.060 and 1989 c 372 s 8 are each amended to read as follows:

(1) In any case in which the department finds that a licensee, or any partner, officer, director, owner of five percent or more of the assets of the nursing home, or managing employee failed or refused to comply with the requirements of this chapter or of chapter 74.42 RCW, or the standards, rules, and regulations established under them or, in the case of a medicaid contractor, failed or refused to comply with the medicaid requirements of Title XIX of the social security act, as amended, and regulations promulgated thereunder, the department may take any or all of the following actions:

- (a) Suspend, revoke, or refuse to renew a license;
- (b) Order stop placement;
- (c) Assess monetary penalties of a civil nature;

(d) Deny payment to a nursing home for any medicaid resident admitted after notice to deny payment. Residents who are medicaid recipients shall not be responsible for payment when the department takes action under this subsection;

(e) Appoint temporary management as provided in subsection (7) of this section.

(2) The department may suspend, revoke, or refuse to renew a license, assess monetary penalties of a civil nature, or both, in any case in which it finds that the licensee, or any partner, officer, director, owner of five percent or more of the assets of the nursing home, or managing employee:

(a) Operated a nursing home without a license or under a revoked or suspended license; or

(b) Knowingly or with reason to know made a false statement of a material fact in his or her application for license or any data attached thereto, or in any matter under investigation by the department; or

(c) Refused to allow representatives or agents of the department to inspect all books, records, and files required to be maintained or any portion of the premises of the nursing home; or

(d) Willfully prevented, interfered with, or attempted to impede in any way the work of any duly authorized representative of the department and the lawful enforcement of any provision of this chapter or of chapter 74.42 RCW; or

(e) Willfully prevented or interfered with any representative of the department in the preservation of evidence of any violation of any of the provisions of this chapter or of chapter 74.42 RCW or the standards, rules, and regulations adopted under them; or

(f) Failed to report patient abuse or neglect in violation of chapter 70.124 RCW; or

(g) Fails to pay any civil monetary penalty assessed by the department pursuant to this chapter within ten days after such assessment becomes final.

(3) The department shall deny payment to a nursing home having a medicaid contract with respect to any medicaid-eligible individual admitted to the nursing home when:

(a) The department finds the nursing home not in compliance with the requirements of Title XIX of the social security act, as amended, and regulations promulgated thereunder, and the facility has not complied with such requirements within three months; in such case, the department shall deny payment until correction has been achieved; or

(b) The department finds on three consecutive standard surveys that the nursing home provided substandard quality of care; in such case, the department shall deny payment for new admissions until the facility has demonstrated to the satisfaction of the department that it is in compliance with medicaid requirements and that it will remain in compliance with such requirements.

(4)(a) Civil penalties collected under this section or under chapter 74.42 RCW shall be deposited into a special fund administered by the department to be applied to the protection of the health or property of residents of nursing homes found to be deficient, including payment for the costs of relocation of residents to other facilities, maintenance of operation of a facility pending correction of deficiencies or closure, and reimbursement of residents for personal funds lost.

(b) Civil monetary penalties, if imposed, may be assessed and collected, with interest, for each day a nursing home is or was out of compliance. Civil monetary penalties shall not exceed three thousand dollars per violation. Each day upon which the same or a substantially similar action occurs is a separate violation subject to the assessment of a separate penalty.

(c) Any civil penalty assessed under this section or chapter 74.46 RCW shall be a nonreimbursable item under chapter 74.46 RCW.

(5)(a) The department shall order stop placement on a nursing home, effective upon oral or written notice, when the department determines:

(i) The nursing home no longer substantially meets the requirements of chapter 18.51 or 74.42 RCW, or in the case of medicaid contractors, the requirements of Title XIX of the social security act, as amended, and any regulations promulgated under such statutes; and

(ii) The deficiency or deficiencies in the nursing home:

(A) Jeopardize the health and safety of the residents, or

(B) Seriously limit the nursing home's capacity to provide adequate care.

(b) When the department has ordered a stop placement, the department may approve a readmission to the nursing home from a hospital when the department determines the readmission would be in the best interest of the individual seeking readmission.

(c) The department shall terminate the stop placement when:

(i) The provider states in writing that the deficiencies necessitating the stop placement action have been corrected; and

(ii) The department staff confirms in a timely fashion not to exceed fifteen working days that:

(A) The deficiencies necessitating stop placement action have been corrected, and

(B) The provider exhibits the capacity to maintain adequate care and service.

(d) A nursing home provider shall have the right to an informal review to present written evidence to refute the deficiencies cited as the basis for the stop placement. A request for an informal review must be made in writing within ten days of the effective date of the stop placement.

(e) A stop placement shall not be delayed or suspended because the nursing home requests a hearing pursuant to chapter 34.05 RCW or an informal review. The stop placement shall remain in effect until:

(i) The department terminates the stop placement; or

(ii) The stop placement is terminated by a final agency order, after a hearing, pursuant to chapter 34.05 RCW.

(6) If the department determines that an emergency exists as a result of a nursing home's failure or refusal to comply with requirements of this chapter or, in the case of a medicaid contractor, its failure or refusal to comply with medicaid requirements of Title XIX of the social security act, as amended, and rules adopted thereunder, the department may suspend the nursing home's license and order the immediate closure of the nursing home, the immediate transfer of residents, or both.

(7) If the department determines that the health or safety of residents is immediately jeopardized as a result of a nursing home's failure or refusal to comply with requirements of this chapter or, in the case of a medicaid contractor, its failure or refusal to comply with medicaid requirements of Title XIX of the social security act, as amended, and rules adopted thereunder, the department may appoint temporary management to:

(a) Oversee the operation of the facility; and

(b) Ensure the health and safety of the facilities residents while:

(i) Orderly closure of the facility occurs; or

(ii) The deficiencies necessitating temporary management are corrected.

(8) The department shall by rule specify criteria as to when and how the sanctions specified in this section shall be applied. Such criteria shall provide for the imposition of incrementally more severe penalties for deficiencies that are repeated, uncorrected, pervasive, or present a threat to the health, safety, or welfare of the residents.

Sec. 487. RCW 18.51.200 and 1981 1st ex.s. c 2 s 21 are each amended to read as follows:

Upon receipt of a complaint, the department shall make a preliminary review of the complaint. Unless the department determines that the complaint is ~~((wilfully))~~ willfully intended to harass a licensee or is without any reasonable basis, or unless the department has sufficient information that corrective action has been taken, it shall make an on-site investigation within a reasonable time after the receipt of the complaint or otherwise ensure complaints are responded to. In either event, the complainant shall be promptly informed of the department's proposed course of action. If the complainant requests the opportunity to do so, the complainant or his or her representative, or both, may be allowed to accompany the inspector to the site of the alleged violations during his or her tour of the facility, unless the inspector determines that the privacy of any patient would be violated thereby.

Sec. 488. RCW 18.52.040 and 1992 c 53 s 4 are each amended to read as follows:

The state board of nursing home administrators shall consist of nine members appointed by the governor. Four members shall be persons licensed under this chapter who have at least four years actual experience in the administration of a licensed nursing home in this state immediately preceding appointment to the board and who are not employed by the state or federal government.

Four members shall be representatives of the health care professions providing medical or nursing services in nursing homes who are privately or self-employed; or shall be persons employed by educational institutions who have special knowledge or expertise in the field of health care administration, health care education or long-term care or both, or care of the aged and chronically ill.

One member shall be a resident of a nursing home or a family member of a resident or a person eligible for medicare. No member who is a nonadministrator representative shall have any direct or family financial interest in nursing homes while serving as a member of the board. The governor shall consult with and seek the recommendations of the appropriate statewide business and professional organizations and societies primarily concerned with long term health care facilities in the course of considering his or her appointments to the board. Board members currently serving shall continue to serve until the expiration of their appointments.

Sec. 489. RCW 18.54.030 and 1984 c 279 s 54 are each amended to read as follows:

The initial composition of the optometry board includes the three members of the examining committee for optometry plus two more optometrists to be appointed by the governor.

The governor must make all appointments to the optometry board. Only optometrists who are citizens of the United States, residents of this state, having been licensed to practice and practicing optometry in this state for a period of at least four years immediately preceding the effective date of appointment, and who have no connection with any school or college embracing the teaching of optometry or with any optical supply business may be appointed.

The governor may set the terms of office of the initial board at his or her discretion, to establish the following perpetual succession: The terms of the initial board include one position for one year, two for two years, and two for three years; and upon the expiration of the terms of the initial board, all appointments are for three years.

In addition to the members specified in this section, the governor shall appoint a consumer member of the board, who shall serve for a term of three years.

In the event that a vacancy occurs on the board in the middle of an appointee's term, the governor must appoint a successor for the unexpired portion of the term only.

Sec. 490. RCW 18.54.040 and 1963 c 25 s 4 are each amended to read as follows:

The board must elect a (~~chairman~~) chair and secretary from its members, to serve for a term of one year or until their successors are elected and qualified.

Sec. 491. RCW 18.54.050 and 1991 c 3 s 139 are each amended to read as follows:

The board must meet at least once yearly or more frequently upon call of the ~~((chairman))~~ chair or the secretary of health at such times and places as the ~~((chairman))~~ chair or the secretary of health may designate by giving three days' notice or as otherwise required by RCW 42.30.075.

Sec. 492. RCW 18.59.120 and 1984 c 9 s 13 are each amended to read as follows:

(1) There is established a board of occupational therapy practice. The board shall consist of five members appointed by the governor, who may consider the persons who are recommended for appointment by occupational therapy associations of the state. The members of the board shall be residents of the state. Four of the members shall have been engaged in rendering services to the public, teaching, or research in occupational therapy for at least five years immediately preceding their appointment. Three of these four board members shall be occupational therapists who shall at all times be holders of licenses for the practice of occupational therapy in the state, except for the initial members of the board, all of whom shall fulfill the requirements for licensure under this chapter. At least one member of the board shall be an occupational therapy assistant licensed to assist in the practice of occupational therapy, except for the initial member appointed to this position, who shall fulfill the requirements for licensure as a occupational therapy assistant under this chapter. The remaining member of the board shall be a member of the public with an interest in the rights of consumers of health services.

(2) The governor shall, within sixty days after June 7, 1984, appoint one member for a term of one year, two members for a term of two years, and two members for a term of three years. Appointments made thereafter shall be for three-year terms, but no person shall be appointed to serve more than two consecutive full terms. Terms shall begin on the first day of the calendar year and end on the last day of the calendar year or until successors are appointed, except for the initial appointed members, who shall serve through the last calendar day of the year in which they are appointed before commencing the terms prescribed by this section. The governor shall make appointments for vacancies in unexpired terms within ninety days after the vacancies occur.

(3) The board shall meet during the first month of each calendar year to select a ~~((chairman))~~ chair and for other purposes. At least one additional meeting shall be held before the end of each calendar year. Further meetings may be convened at the call of the ~~((chairman))~~ chair or the written request of any two board members. A majority of members of the board constitutes a quorum for all purposes. All meetings of the board shall be open to the public, except that the board may hold closed sessions to prepare, approve, grade, or administer examinations or, upon request of an applicant who fails an examination, to prepare a response indicating the reasons for the applicant's failure.

(4) Members of the board shall receive compensation in the amount of fifty dollars for each day's attendance at proper meetings of the committee.

Sec. 493. RCW 18.64.001 and 1984 c 153 s 1 are each amended to read as follows:

There shall be a state board of pharmacy consisting of seven members, to be appointed by the governor by and with the advice and consent of the senate. Five of the members shall be designated as pharmacist members and two of the members shall be designated a public member.

Each pharmacist member shall be a citizen of the United States and a resident of this state, and at the time of his or her appointment shall have been a duly registered pharmacist under the laws of this state for a period of at least five consecutive years immediately preceding his or her appointment and shall at all times during his or her incumbency continue to be a duly licensed pharmacist: PROVIDED, That subject to the availability of qualified candidates the governor shall appoint pharmacist members representative of the areas of practice and geographically representative of the state of Washington.

The public member shall be a citizen of the United States and a resident of this state. The public member shall be appointed from the public at large, but shall not be affiliated with any aspect of pharmacy.

Members of the board shall hold office for a term of four years, and the terms shall be staggered so that the terms of office of not more than two members will expire simultaneously on the third Monday in January of each year.

No person who has been appointed to and served for two four year terms shall be eligible for appointment to the board.

Each member shall qualify by taking the usual oath of a state officer, which shall be filed with the secretary of state, and each member shall hold office for the term of his or her appointment and until his or her successor is appointed and qualified.

In case of the resignation or disqualification of a member, or a vacancy occurring from any cause, the governor shall appoint a successor for the unexpired term.

Sec. 494. RCW 18.64.050 and 1989 1st ex.s. c 9 s 419 are each amended to read as follows:

In the event that a license or certificate issued by the department is lost or destroyed, the person to whom it was issued may obtain a duplicate thereof upon furnishing proof of such fact satisfactory to the department and the payment of a fee determined by the secretary.

In the event any person desires any certified document to which he or she is entitled, he or she shall receive the same upon payment of a fee determined by the secretary.

Sec. 495. RCW 18.64.255 and 1995 c 319 s 7 are each amended to read as follows:

Nothing in this chapter shall operate in any manner:

(1) To restrict the scope of authorized practice of any practitioner other than a pharmacist, duly licensed as such under the laws of this state. However, a health care entity shall comply with all state and federal laws and rules relating to the dispensing of drugs and the practice of pharmacy; or

(2) In the absence of the pharmacist from the hospital pharmacy, to prohibit a registered nurse designated by the hospital and the responsible pharmacist from obtaining from the hospital pharmacy such drugs as are needed in an emergency: PROVIDED, That proper record is kept of such emergency,

including the date, time, name of prescriber, the name of the nurse obtaining the drugs, and a list of what drugs and quantities of same were obtained; or

(3) To prevent shopkeepers, itinerant vendors, peddlers, or ~~((salesmen))~~ salespersons from dealing in and selling nonprescription drugs, if such drugs are sold in the original packages of the manufacturer, or in packages put up by a licensed pharmacist in the manner provided by the state board of pharmacy, if such shopkeeper, itinerant vendor, ~~((salesman))~~ salesperson, or peddler shall have obtained a registration.

Sec. 496. RCW 18.71.011 and 1975 1st ex.s. c 171 s 15 are each amended to read as follows:

A person is practicing medicine if he or she does one or more of the following:

(1) Offers or undertakes to diagnose, cure, advise, or prescribe for any human disease, ailment, injury, infirmity, deformity, pain or other condition, physical or mental, real or imaginary, by any means or instrumentality;

(2) Administers or prescribes drugs or medicinal preparations to be used by any other person;

(3) Severs or penetrates the tissues of human beings;

(4) Uses on cards, books, papers, signs, or other written or printed means of giving information to the public, in the conduct of any occupation or profession pertaining to the diagnosis or treatment of human disease or conditions the designation "doctor of medicine," "physician," "surgeon," "m.d.," or any combination thereof unless such designation additionally contains the description of another branch of the healing arts for which a person has a license: PROVIDED HOWEVER, That a person licensed under this chapter shall not engage in the practice of chiropractic as defined in RCW 18.25.005.

Sec. 497. RCW 18.71.220 and 1971 ex.s. c 305 s 4 are each amended to read as follows:

No physician or hospital licensed in this state shall be subject to civil liability, based solely upon failure to obtain consent in rendering emergency medical, surgical, hospital, or health services to any individual regardless of age where its patient is unable to give his or her consent for any reason and there is no other person reasonably available who is legally authorized to consent to the providing of such care: PROVIDED, That such physician or hospital has acted in good faith and without knowledge of facts negating consent.

Sec. 498. RCW 18.74.125 and 1961 c 64 s 10 are each amended to read as follows:

Nothing in this chapter shall prohibit any person licensed in this state under any other act from engaging in the practice for which he or she is licensed. Nothing in this chapter shall prohibit any person who, at any time prior to January 1, 1961, was practicing any healing or manipulative art in the state of Washington and designating the same as physical therapy or physiotherapy, from continuing to do so after the passage of this amendatory act: PROVIDED, That no such person shall represent himself or herself as being registered and shall not use in connection with his or her name the words or letters "registered" or "licensed" or "R.P.T."

Sec. 499. RCW 18.92.115 and 1991 c 3 s 244 are each amended to read as follows:

Any applicant who shall fail to secure the required grade in his or her first examination may take the next regular veterinary examination. The fee for reexamination shall be determined by the secretary as provided in RCW 43.70.250.

Sec. 500. RCW 18.92.150 and 1941 c 71 s 18 are each amended to read as follows:

Every person holding a license under the provisions of this chapter shall conspicuously display it in his or her principal place of business, together with the annual renewal license certificate.

Sec. 501. RCW 18.96.040 and 2009 c 370 s 5 are each amended to read as follows:

(1)(a) There is created a licensure board for landscape architects consisting of five members appointed by the governor.

(b) Four members shall be licensed landscape architects who are residents of the state and have at least eight years' experience in the practice of landscape architecture as registered or licensed landscape architects in responsible charge of landscape architectural work or responsible charge of landscape architectural teaching. One member shall be a public member, who is not and has never been a registered or licensed landscape architect and who does not employ and is not employed by or professionally or financially associated with a landscape architect.

(c) The term of each newly appointed member shall be six years.

(2)(a) Every member of the board shall receive a certificate of appointment from the governor. On the expiration of the term of each member, the governor shall appoint a successor to serve for a term of six years or until the next successor has been appointed.

(b) The governor may remove any member of the board for cause. Vacancies in the board for any reason shall be filled by appointment for the unexpired term.

(3) The board shall elect a (~~chairman~~) chair, a (~~vice chairman~~) vice chair, and a secretary. The secretary may delegate his or her authority to the executive director.

(4) Members of the board shall be compensated in accordance with RCW 43.03.240 and shall be reimbursed for travel expenses in accordance with RCW 43.03.050 and 43.03.060.

Sec. 502. RCW 18.100.070 and 1969 c 122 s 7 are each amended to read as follows:

Nothing contained in this chapter shall be interpreted to abolish, repeal, modify, restrict, or limit the law now in effect in this state applicable to the professional relationship and liabilities between the person furnishing the professional services and the person receiving such professional service and the standards for professional conduct. Any director, officer, shareholder, agent, or employee of a corporation organized under this chapter shall remain personally and fully liable and accountable for any negligent or wrongful acts or misconduct committed by him or her or by any person under his or her direct supervision and control, while rendering professional services on behalf of the corporation to the person for whom such professional services were being rendered. The corporation shall be liable for any negligent or wrongful acts of

misconduct committed by any of its directors, officers, shareholders, agents, or employees while they are engaged on behalf of the corporation, in the rendering of professional services.

Sec. 503. RCW 18.100.140 and 1994 sp.s. c 9 s 717 are each amended to read as follows:

Nothing in this chapter shall authorize a director, officer, shareholder, agent, or employee of a corporation organized under this chapter, or a corporation itself organized under this chapter, to do or perform any act which would be illegal, unethical, or unauthorized conduct under the provisions of the following acts: (1) Physicians and surgeons, chapter 18.71 RCW; (2) anti-rebating act, chapter 19.68 RCW; (3) state bar act, chapter 2.48 RCW; (4) professional accounting act, chapter 18.04 RCW; (5) professional architects act, chapter 18.08 RCW; (6) professional auctioneers act, chapter 18.11 RCW; (7) cosmetologists, barbers, and manicurists, chapter 18.16 RCW; (8) boarding homes act, chapter 18.20 RCW; (9) podiatric medicine and surgery, chapter 18.22 RCW; (10) chiropractic act, chapter 18.25 RCW; (11) registration of contractors, chapter 18.27 RCW; (12) debt adjusting act, chapter 18.28 RCW; (13) dental hygienist act, chapter 18.29 RCW; (14) dentistry, chapter 18.32 RCW; (15) dispensing opticians, chapter 18.34 RCW; (16) naturopathic physicians, chapter 18.36A RCW; (17) embalmers and funeral directors, chapter 18.39 RCW; (18) engineers and land surveyors, chapter 18.43 RCW; (19) escrow agents registration act, chapter 18.44 RCW; (20) ~~((maternity homes))~~ birthing centers, chapter 18.46 RCW; (21) midwifery, chapter 18.50 RCW; (22) nursing homes, chapter 18.51 RCW; (23) optometry, chapter 18.53 RCW; (24) osteopathic physicians and surgeons, chapter 18.57 RCW; (25) pharmacists, chapter 18.64 RCW; (26) physical therapy, chapter 18.74 RCW; (27) registered nurses, advanced registered nurse practitioners, and practical nurses, chapter 18.79 RCW; (28) psychologists, chapter 18.83 RCW; (29) real estate brokers and ~~((salesmen))~~ salespersons, chapter 18.85 RCW; (30) veterinarians, chapter 18.92 RCW.

Sec. 504. RCW 18.106.030 and 1997 c 326 s 4 are each amended to read as follows:

Any person desiring to be issued a certificate of competency as provided in this chapter shall deliver evidence in a form prescribed by the department affirming that said person has had sufficient experience in as well as demonstrated general competency in the trade of plumbing or specialty plumbing so as to qualify him or her to make an application for a certificate of competency as a journeyman plumber or specialty plumber. Completion of a course of study in the plumbing trade in the armed services of the United States or at a school accredited by the workforce training and education coordinating board shall constitute sufficient evidence of experience and competency to enable such person to make application for a certificate of competency.

Any person desiring to be issued a medical gas piping installer endorsement shall deliver evidence in a form prescribed by the department affirming that the person has met the requirements established by the department for a medical gas piping installer endorsement.

In addition to supplying the evidence as prescribed in this section, each applicant for a certificate of competency shall submit an application for such

certificate on such form and in such manner as shall be prescribed by the director of the department.

Sec. 505. RCW 18.106.080 and 1973 1st ex.s. c 175 s 8 are each amended to read as follows:

No examination shall be required of any applicant for a certificate of competency who, on July 16, 1973, was engaged in a bona fide business or trade of plumbing, or on said date held a valid journeyman plumber's license issued by a political subdivision of the state of Washington and whose license is valid at the time of making his or her application for said certificate. Applicants qualifying under this section shall be issued a certificate by the department upon making an application as provided in RCW 18.106.030 and paying the fee required under RCW 18.106.050: PROVIDED, That no applicant under this section shall be required to furnish such evidence as required by RCW 18.106.030.

Sec. 506. RCW 18.106.130 and 1973 1st ex.s. c 175 s 13 are each amended to read as follows:

All moneys received from certificates, permits, or other sources, shall be paid to the state treasurer as ex officio custodian thereof and by him or her placed in a special fund designated as the "plumbing certificate fund." He or she shall pay out upon vouchers duly and regularly issued therefor and approved by the director. The treasurer shall keep an accurate record of payments into said fund, and of all disbursement therefrom. Said fund shall be charged with its pro rata share of the cost of administering said fund.

Sec. 507. RCW 18.106.140 and 1973 1st ex.s. c 175 s 14 are each amended to read as follows:

The director may promulgate rules, make specific decisions, orders, and rulings, including therein demands and findings, and take other necessary action for the implementation and enforcement of his or her duties under this chapter: PROVIDED, That in the administration of this chapter the director shall not enter any controversy arising over work assignments with respect to the trades involved in the construction industry.

***Sec. 508.** RCW 19.09.230 and 1994 c 287 s 3 are each amended to read as follows:

No charitable organization, commercial fund-raiser, or other entity may knowingly use the identical or deceptively similar name, symbol, or emblem of any other entity for the purpose of soliciting contributions from persons in this state without the written consent of such other entity. If the official name or the "doing business name" being registered is the same or deceptively similar as that of another entity, the secretary may request that a copy of the written consent from that entity be filed with the registration. Such consent may be deemed to have been given by anyone who is a director, trustee, or other authorized officer of that entity. A copy of the written consent must be kept on file by the charitable organization or commercial fund-raiser and made available to the secretary, attorney general, or county prosecutor upon demand.

A person may be deemed to have used the name of another person for the purpose of soliciting contributions if such latter person's name is listed on any stationery, advertisement, brochure, or correspondence of the charitable

organization or person or if such name is listed or represented to any one who has contributed to, sponsored, or endorsed the charitable organization or person, or its ((or)), his, or her activities.

The secretary may revoke or deny any application for registration that violates this section.

*Sec. 508 was vetoed. See message at end of chapter.

Sec. 509. RCW 19.16.140 and 1994 c 195 s 4 are each amended to read as follows:

Each applicant when submitting his or her application shall pay a licensing fee and an investigation fee determined by the director as provided in RCW 43.24.086. The licensing fee for an out-of-state collection agency shall not exceed fifty percent of the licensing fee for a collection agency. An out-of-state collection agency is exempt from the licensing fee if the agency is licensed or registered in a state that does not require payment of an initial fee by any person who collects debts in the state only by means of interstate communications from the person's location in another state. If a license is not issued in response to the application, the license fee shall be returned to the applicant.

An annual license fee determined by the director as provided in RCW 43.24.086 shall be paid to the director on or before January first of each year. The annual license fee for an out-of-state collection agency shall not exceed fifty percent of the annual license fee for a collection agency. An out-of-state collection agency is exempt from the annual license fee if the agency is licensed or registered in a state that does not require payment of an annual fee by any person who collects debts in the state only by means of interstate communications from the person's location in another state. If the annual license fee is not paid on or before January first, the licensee shall be assessed a penalty for late payment in an amount determined by the director as provided in RCW 43.24.086. If the fee and penalty are not paid by January thirty-first, it will be necessary for the licensee to submit a new application for a license: PROVIDED, That no license shall be issued upon such new application unless and until all fees and penalties previously accrued under this section have been paid.

Any license or branch office certificate issued under the provisions of this chapter shall expire on December thirty-first following the issuance thereof.

Sec. 510. RCW 19.16.150 and 1985 c 7 s 82 are each amended to read as follows:

If a licensee maintains a branch office, he, she, or it shall not operate a collection agency business in such branch office until he, she, or it has secured a branch office certificate therefor from the director. A licensee, so long as his, her, or its license is in full force and effect and in good standing, shall be entitled to branch office certificates for any branch office operated by such licensee upon payment of the fee therefor provided in this chapter.

Each licensee when applying for a branch office certificate shall pay a fee determined by the director as provided in RCW 43.24.086. An annual fee determined by the director as provided in RCW 43.24.086 for a branch office certificate shall be paid to the director on or before January first of each year. If the annual fee is not paid on or before January first, a penalty for late payment in an amount determined by the director as provided in RCW 43.24.086 shall be assessed. If the fee and the penalty are not paid by January thirty-first, it will be

necessary for the licensee to apply for a new branch office certificate: PROVIDED, That no such new branch office certificate shall be issued unless and until all fees and penalties previously accrued under this section have been paid.

Sec. 511. RCW 19.16.160 and 1973 1st ex.s. c 20 s 2 are each amended to read as follows:

Each license and branch office certificate, when issued, shall be in the form and size prescribed by the director and shall state in addition to any other matter required by the director:

- (1) The name of the licensee;
- (2) The name under which the licensee will do business;
- (3) The address at which the collection agency business is to be conducted;

and

- (4) The number and expiration date of the license or branch office certificate.

A licensee shall display his, her, or its license in a conspicuous place in his, her, or its principal place of business and, if he, she, or it conducts a branch office, the branch office certificate shall be conspicuously displayed in the branch office.

Concurrently with or prior to engaging in any activity as a collection agency, as defined in this chapter, any person shall furnish to his, her, or its client or customer the number indicated on the collection agency license issued to him, her, or it pursuant to this section.

Sec. 512. RCW 19.16.170 and 1971 ex.s. c 253 s 8 are each amended to read as follows:

Whenever a licensee shall contemplate a change of his, her, or its trade name or a change in the location of his, her, or its principal place of business or branch office, he, she, or it shall give written notice of such proposed change to the director. The director shall approve the proposed change and issue a new license or a branch office certificate, as the case may be, reflecting the change.

Sec. 513. RCW 19.16.180 and 1971 ex.s. c 253 s 9 are each amended to read as follows:

- (1) Except as provided in subsection (2) of this section, a license or branch office certificate granted under this chapter is not assignable or transferable.

- (2) Upon the death of an individual licensee, the director shall have the right to transfer the license and any branch office certificate of the decedent to the personal representative of his or her estate for the period of the unexpired term of the license and such additional time, not to exceed one year from the date of death of the licensee, as said personal representative may need in order to settle the deceased's estate or sell the collection agency.

Sec. 514. RCW 19.16.190 and 1994 c 195 s 5 are each amended to read as follows:

- (1) Except as limited by subsection (7) of this section, each applicant shall, at the time of applying for a license, file with the director a surety bond in the sum of five thousand dollars. The bond shall be annually renewable on January first of each year, shall be approved by the director as to form and content, and shall be executed by the applicant as principal and by a surety company authorized to do business in this state as surety. Such bond shall run to the state

of Washington as obligee for the benefit of the state and conditioned that the licensee shall faithfully and truly perform all agreements entered into with the licensee's clients or customers and shall, within thirty days after the close of each calendar month, account to and pay to his, her, or its client or customer the net proceeds of all collections made during the preceding calendar month and due to each client or customer less any offsets due licensee under RCW 19.16.210 and 19.16.220. The bond required by this section shall remain in effect until canceled by action of the surety or the licensee or the director.

(2) An applicant for a license under this chapter may furnish, file, and deposit with the director, in lieu of the surety bond provided for herein, a cash deposit or other negotiable security acceptable to the director. The security deposited with the director in lieu of the surety bond shall be returned to the licensee at the expiration of one year after the collection agency's license has expired or been revoked if no legal action has been instituted against the licensee or on said security deposit at the expiration of said one year.

(3) A surety may file with the director notice of his, her, or its withdrawal on the bond of the licensee. Upon filing a new bond or upon the revocation of the collection agency license or upon the expiration of sixty days after the filing of notice of withdrawal as surety by the surety, the liability of the former surety for all future acts of the licensee shall terminate.

(4) The director shall immediately cancel the bond given by a surety company upon being advised that the surety company's license to transact business in this state has been revoked.

(5) Upon the filing with the director of notice by a surety of his, her, or its withdrawal as the surety on the bond of a licensee or upon the cancellation by the director of the bond of a surety as provided in this section, the director shall immediately give notice to the licensee of the withdrawal or cancellation. The notice shall be sent to the licensee by registered or certified mail with request for a return receipt and addressed to the licensee at his, her, or its main office as shown by the records of the director. At the expiration of thirty days from the date of mailing the notice, the license of the licensee shall be terminated, unless the licensee has filed a new bond with a surety satisfactory to the director.

(6) All bonds given under this chapter shall be filed and held in the office of the director.

(7) An out-of-state collection agency need not fulfill the bonding requirements under this section if the out-of-state collection agency maintains an adequate bond or legal alternative as required by the state in which the out-of-state collection agency is located.

Sec. 515. RCW 19.16.200 and 1971 ex.s. c 253 s 11 are each amended to read as follows:

In addition to all other legal remedies, an action may be brought in any court of competent jurisdiction upon the bond or cash deposit or security in lieu thereof, required by RCW 19.16.190, by any person to whom the licensee fails to account and pay as set forth in such bond or by any client or customer of the licensee who has been damaged by failure of the licensee to comply with all agreements entered into with such client or customer: **PROVIDED**, That the aggregate liability of the surety to all such clients or customers shall in no event exceed the sum of such bond.

An action upon such bond or security shall be commenced by serving and filing of the complaint within one year from the date of the cancellation of the bond or, in the case of a cash deposit or other security deposited in lieu of the surety bond, within one year of the date of expiration or revocation of license: PROVIDED, That no action shall be maintained upon such bond or such cash deposit or other security for any claim which has been barred by any nonclaim statute or statute of limitations of this state. Two copies of the complaint shall be served by registered or certified mail upon the director at the time the suit is started. Such service shall constitute service on the surety. The director shall transmit one of said copies of the complaint served on him or her to the surety within forty-eight hours after it shall have been received.

The director shall maintain a record, available for public inspection, of all suits commenced under this chapter upon surety bonds, or the cash or other security deposited in lieu thereof.

In the event of a judgment being entered against the deposit or security referred to in RCW 19.16.190(2), the director shall, upon receipt of a certified copy of a final judgment, pay said judgment from the amount of the deposit or security.

Sec. 516. RCW 19.16.210 and 1971 ex.s. c 253 s 12 are each amended to read as follows:

A licensee shall within thirty days after the close of each calendar month account in writing to his, her, or its customers for all collections made during that calendar month and pay to his, her, or its customers the net proceeds due and payable of all collections made during that calendar month except that a licensee need not account to the customer for:

(1) Court costs recovered which were previously advanced by licensee or his, her, or its attorney.

(2) Attorneys' fees and interest or other charges incidental to the principal amount of the obligation legally and properly belonging to the licensee, if such charges are retained by the licensee after the principal amount of the obligation has been accounted for and remitted to the customer. When the net proceeds are less than ten dollars at the end of any calendar month, payments may be deferred for a period not to exceed three months.

Sec. 517. RCW 19.16.220 and 1971 ex.s. c 253 s 13 are each amended to read as follows:

Every customer of a licensee shall, within thirty days after the close of each calendar month, account and pay to his, her, or its collection agency all sums owing to the collection agency for payments received by the customer during that calendar month on claims in the hands of the collection agency.

If a customer fails to pay a licensee any sums due under this section, the licensee shall, in addition to other remedies provided by law, have the right to offset any moneys due the licensee under this section against any moneys due customer under RCW 19.16.210.

Sec. 518. RCW 19.16.230 and 1994 c 195 s 6 are each amended to read as follows:

(1) Every licensee required to keep and maintain records pursuant to this section, other than an out-of-state collection agency, shall establish and maintain a regular active business office in the state of Washington for the purpose of

conducting his, her, or its collection agency business. Said office must be open to the public during reasonable stated business hours, and must be managed by a resident of the state of Washington.

(2) Every licensee shall keep a record of all sums collected by him, her, or it and all disbursements made by him, her, or it. All such records shall be kept at the business office referred to in subsection (1) of this section, unless the licensee is an out-of-state collection agency, in which case the record shall be kept at the business office listed on the licensee's license.

(3) Licensees shall maintain and preserve accounting records of collections and payments to customers for a period of four years from the date of the last entry thereon.

Sec. 519. RCW 19.16.245 and 1973 1st ex.s. c 20 s 9 are each amended to read as follows:

No licensee shall receive any money from any debtor as a result of the collection of any claim until he, she, or it shall have submitted a financial statement showing the assets and liabilities of the licensee truly reflecting that the licensee's net worth is not less than the sum of seven thousand five hundred dollars, in cash or its equivalent, of which not less than five thousand dollars shall be deposited in a bank, available for the use of the licensee's business. Any money so collected shall be subject to the provisions of RCW 19.16.430(2). The financial statement shall be sworn to by the licensee, if the licensee is an individual, or by a partner, officer, or manager in its behalf if the licensee is a partnership, corporation, or unincorporated association. The information contained in the financial statement shall be confidential and not a public record, but is admissible in evidence at any hearing held, or in any action instituted in a court of competent jurisdiction, pursuant to the provisions of this chapter: **PROVIDED**, That this section shall not apply to those persons holding a valid license issued pursuant to this chapter on July 16, 1973.

**Sec. 520. RCW 19.16.250 and 2001 c 217 s 5 and 2001 c 47 s 2 are each reenacted and amended to read as follows:*

No licensee or employee of a licensee shall:

*(1) Directly or indirectly aid or abet any unlicensed person to engage in business as a collection agency in this state or receive compensation from such unlicensed person: **PROVIDED**, That nothing in this chapter shall prevent a licensee from accepting, as forwarder, claims for collection from a collection agency or attorney whose place of business is outside the state.*

(2) Collect or attempt to collect a claim by the use of any means contrary to the postal laws and regulations of the United States postal department.

*(3) Publish or post or cause to be published or posted, any list of debtors commonly known as "bad debt lists" or threaten to do so. For purposes of this chapter, a "bad debt list" means any list of natural persons alleged to fail to honor their lawful debts. However, nothing herein shall be construed to prohibit a licensee from communicating to his, her, or its customers or clients by means of a coded list, the existence of a check dishonored because of insufficient funds, not sufficient funds or closed account by the financial institution servicing the debtor's checking account: **PROVIDED**, That the debtor's identity is not readily apparent: **PROVIDED FURTHER**, That the licensee complies with the requirements of subsection (9)(e) of this section.*

(4) Have in his, her, or its possession or make use of any badge, use a uniform of any law enforcement agency or any simulation thereof, or make any statements which might be construed as indicating an official connection with any federal, state, county, or city law enforcement agency, or any other governmental agency, while engaged in collection agency business.

(5) Perform any act or acts, either directly or indirectly, constituting the practice of law.

(6) Advertise for sale or threaten to advertise for sale any claim as a means of endeavoring to enforce payment thereof or agreeing to do so for the purpose of soliciting claims, except where the licensee has acquired claims as an assignee for the benefit of creditors or where the licensee is acting under court order.

(7) Use any name while engaged in the making of a demand for any claim other than the name set forth on his, her, or its current license issued hereunder.

(8) Give or send to any debtor or cause to be given or sent to any debtor, any notice, letter, message, or form which represents or implies that a claim exists unless it shall indicate in clear and legible type:

(a) The name of the licensee and the city, street, and number at which he, she, or it is licensed to do business;

(b) The name of the original creditor to whom the debtor owed the claim if such name is known to the licensee or employee: **PROVIDED**, That upon written request of the debtor, the licensee shall make a reasonable effort to obtain the name of such person and provide this name to the debtor;

(c) If the notice, letter, message, or form is the first notice to the debtor or if the licensee is attempting to collect a different amount than indicated in his, her, or its first notice to the debtor, an itemization of the claim asserted must be made including:

(i) Amount owing on the original obligation at the time it was received by the licensee for collection or by assignment;

(ii) Interest or service charge, collection costs, or late payment charges, if any, added to the original obligation by the original creditor, customer, or assignor before it was received by the licensee for collection, if such information is known by the licensee or employee: **PROVIDED**, That upon written request of the debtor, the licensee shall make a reasonable effort to obtain information on such items and provide this information to the debtor;

(iii) Interest or service charge, if any, added by the licensee or customer or assignor after the obligation was received by the licensee for collection;

(iv) Collection costs, if any, that the licensee is attempting to collect;

(v) Attorneys' fees, if any, that the licensee is attempting to collect on his, her, or its behalf or on the behalf of a customer or assignor;

(vi) Any other charge or fee that the licensee is attempting to collect on his, her, or its own behalf or on the behalf of a customer or assignor.

(9) Communicate or threaten to communicate, the existence of a claim to a person other than one who might be reasonably expected to be liable on the claim in any manner other than through proper legal action, process, or proceedings except under the following conditions:

(a) A licensee or employee of a licensee may inform a credit reporting bureau of the existence of a claim: **PROVIDED**, That if the licensee or

employee of a licensee reports a claim to a credit reporting bureau, the licensee shall upon receipt of written notice from the debtor that any part of the claim is disputed, forward a copy of such written notice to the credit reporting bureau;

(b) A licensee or employee in collecting or attempting to collect a claim may communicate the existence of a claim to a debtor's employer if the claim has been reduced to a judgment;

(c) A licensee or employee in collecting or attempting to collect a claim that has not been reduced to judgment, may communicate the existence of a claim to a debtor's employer if:

(i) The licensee or employee has notified or attempted to notify the debtor in writing at his or her last known address or place of employment concerning the claim and the debtor after a reasonable time has failed to pay the claim or has failed to agree to make payments on the claim in a manner acceptable to the licensee, and

(ii) The debtor has not in writing to the licensee disputed any part of the claim: PROVIDED, That the licensee or employee may only communicate the existence of a claim which has not been reduced to judgment to the debtor's employer once unless the debtor's employer has agreed to additional communications.

(d) A licensee may for the purpose of locating the debtor or locating assets of the debtor communicate the existence of a claim to any person who might reasonably be expected to have knowledge of the whereabouts of a debtor or the location of assets of the debtor if the claim is reduced to judgment, or if not reduced to judgment, when:

(i) The licensee or employee has notified or attempted to notify the debtor in writing at his or her last known address or last known place of employment concerning the claim and the debtor after a reasonable time has failed to pay the claim or has failed to agree to make payments on the claim in a manner acceptable to the licensee, and

(ii) The debtor has not in writing disputed any part of the claim.

(e) A licensee may communicate the existence of a claim to its customers or clients if the claim is reduced to judgment, or if not reduced to judgment, when:

(i) The licensee has notified or attempted to notify the debtor in writing at his or her last known address or last known place of employment concerning the claim and the debtor after a reasonable time has failed to pay the claim or has failed to agree to make payments on the claim in a manner acceptable to the licensee, and

(ii) The debtor has not in writing disputed any part of the claim.

(10) Threaten the debtor with impairment of his or her credit rating if a claim is not paid.

(11) Communicate with the debtor after notification in writing from an attorney representing such debtor that all further communications relative to a claim should be addressed to the attorney: PROVIDED, That if a licensee requests in writing information from an attorney regarding such claim and the attorney does not respond within a reasonable time, the licensee may communicate directly with the debtor until he, she, or it again receives notification in writing that an attorney is representing the debtor.

(12) *Communicate with a debtor or anyone else in such a manner as to harass, intimidate, threaten, or embarrass a debtor, including but not limited to communication at an unreasonable hour, with unreasonable frequency, by threats of force or violence, by threats of criminal prosecution, and by use of offensive language. A communication shall be presumed to have been made for the purposes of harassment if:*

(a) It is made with a debtor or spouse in any form, manner, or place, more than three times in a single week;

(b) It is made with a debtor at his or her place of employment more than one time in a single week;

(c) It is made with the debtor or spouse at his or her place of residence between the hours of 9:00 p.m. and 7:30 a.m.

(13) *Communicate with the debtor through use of forms or instruments that simulate the form or appearance of judicial process, the form or appearance of government documents, or the simulation of a form or appearance of a telegraphic or emergency message.*

(14) *Communicate with the debtor and represent or imply that the existing obligation of the debtor may be or has been increased by the addition of attorneys' fees, investigation fees, service fees, or any other fees or charges when in fact such fees or charges may not legally be added to the existing obligation of such debtor.*

(15) *Threaten to take any action against the debtor which the licensee cannot legally take at the time the threat is made.*

(16) *Send any telegram or make any telephone calls to a debtor or concerning a debt or for the purpose of demanding payment of a claim or seeking information about a debtor, for which the charges are payable by the addressee or by the person to whom the call is made.*

(17) *In any manner convey the impression that the licensee is vouched for, bonded to or by, or is an instrumentality of the state of Washington or any agency or department thereof.*

(18) *Collect or attempt to collect in addition to the principal amount of a claim any sum other than allowable interest, collection costs or handling fees expressly authorized by statute, and, in the case of suit, attorneys' fees and taxable court costs. A licensee may collect or attempt to collect collection costs and fees, including contingent collection fees, as authorized by a written agreement or contract, between the licensee's client and the debtor, in the collection of a commercial claim. The amount charged to the debtor for collection services shall not exceed thirty-five percent of the commercial claim.*

(19) *Procure from a debtor or collect or attempt to collect on any written note, contract, stipulation, promise, or acknowledgment under which a debtor may be required to pay any sum other than principal, allowable interest, except as noted in subsection (18) of this section, and, in the case of suit, attorneys' fees and taxable court costs.*

(20) *Upon notification by a debtor that the debtor disputes all debts arising from a series of dishonored checks, automated clearinghouse transactions on a demand deposit account, or other preprinted written instruments, initiate oral contact with a debtor more than one time in an attempt to collect from the debtor debts arising from the identified series of dishonored checks, automated clearinghouse transactions on a demand deposit account, or other preprinted*

written instruments when: (a) Within the previous one hundred eighty days, in response to the licensee's attempt to collect the initial debt assigned to the licensee and arising from the identified series of dishonored checks, automated clearinghouse transactions on a demand deposit account, or other preprinted written instruments, the debtor in writing notified the licensee that the debtor's checkbook or other series of preprinted written instruments was stolen or fraudulently created; (b) the licensee has received from the debtor a certified copy of a police report referencing the theft or fraudulent creation of the checkbook, automated clearinghouse transactions on a demand deposit account, or series of preprinted written instruments; (c) in the written notification to the licensee or in the police report, the debtor identified the financial institution where the account was maintained, the account number, the magnetic ink character recognition number, the full bank routing and transit number, and the check numbers of the stolen checks, automated clearinghouse transactions on a demand deposit account, or other preprinted written instruments, which check numbers included the number of the check that is the subject of the licensee's collection efforts; (d) the debtor provides, or within the previous one hundred eighty days provided, to the licensee a legible copy of a government-issued photo identification, which contains the debtor's signature and which was issued prior to the date of the theft or fraud identified in the police report; and (e) the debtor advised the licensee that the subject debt is disputed because the identified check, automated clearinghouse transaction on a demand deposit account, or other preprinted written instrument underlying the debt is a stolen or fraudulently created check or instrument.

The licensee is not in violation of this subsection if the licensee initiates oral contact with the debtor more than one time in an attempt to collect debts arising from the identified series of dishonored checks, automated clearinghouse transactions on a demand deposit account, or other preprinted written instruments when: (i) The licensee acted in good faith and relied on their established practices and procedures for batching, recording, or packeting debtor accounts, and the licensee inadvertently initiates oral contact with the debtor in an attempt to collect debts in the identified series subsequent to the initial debt assigned to the licensee; (ii) the licensee is following up on collection of a debt assigned to the licensee, and the debtor has previously requested more information from the licensee regarding the subject debt; (iii) the debtor has notified the licensee that the debtor disputes only some, but not all the debts arising from the identified series of dishonored checks, automated clearinghouse transactions on a demand deposit account, or other preprinted written instruments, in which case the licensee shall be allowed to initiate oral contact with the debtor one time for each debt arising from the series of identified checks, automated clearinghouse transactions on a demand deposit account, or written instruments and initiate additional oral contact for those debts that the debtor acknowledges do not arise from stolen or fraudulently created checks or written instruments; (iv) the oral contact is in the context of a judicial, administrative, arbitration, mediation, or similar proceeding; or (v) the oral contact is made for the purpose of investigating, confirming, or authenticating the information received from the debtor, to provide additional information to the debtor, or to request additional information from the debtor

needed by the licensee to accurately record the debtor's information in the licensee's records.

*Sec. 520 was vetoed. See message at end of chapter.

Sec. 521. RCW 19.16.260 and 1994 c 195 s 8 are each amended to read as follows:

No collection agency or out-of-state collection agency may bring or maintain an action in any court of this state involving the collection of a claim of any third party without alleging and proving that he, she, or it is duly licensed under this chapter and has satisfied the bonding requirements hereof, if applicable: PROVIDED, That in any case where judgment is to be entered by default, it shall not be necessary for the collection agency or out-of-state collection agency to prove such matters.

A copy of the current collection agency license or out-of-state collection agency license, certified by the director to be a true and correct copy of the original, shall be prima facie evidence of the licensing and bonding of such collection agency or out-of-state collection agency as required by this chapter.

Sec. 522. RCW 19.16.270 and 1971 ex.s. c 253 s 18 are each amended to read as follows:

In any action brought by licensee to collect the claim of his, her, or its customer, the assignment of the claim to licensee by his, her, or its customer shall be conclusively presumed valid, if the assignment is filed in court with the complaint, unless objection is made thereto by the debtor in a written answer or in writing five days or more prior to trial.

Sec. 523. RCW 19.16.280 and 1971 ex.s. c 253 s 19 are each amended to read as follows:

There is hereby created a board to be known and designated as the "Washington state collection agency board." The board shall consist of five members, one of whom shall be the director and the other four shall be appointed by the governor. The director may delegate his or her duties as a board member to a designee from his or her department. The director or his or her designee shall be the executive officer of the board and its (~~chairman~~) chair.

At least two but no more than two members of the board shall be licensees hereunder. Each of the licensee members of the board shall be actively engaged in the collection agency business at the time of his or her appointment and must continue to be so engaged and continue to be licensed under this chapter during the term of his or her appointment or he or she will be deemed to have resigned his or her position: PROVIDED, That no individual may be a licensee member of the board unless he or she has been actively engaged as either an owner or executive employee or a combination of both of a collection agency business in this state for a period of not less than five years immediately prior to his or her appointment.

No board member shall be employed by or have any interest in, directly or indirectly, as owner, partner, officer, director, agent, stockholder, or attorney, any collection agency in which any other board member is employed by or has such an interest.

No member of the board other than the director or his or her designee shall hold any other elective or appointive state or federal office.

Sec. 524. RCW 19.16.290 and 1971 ex.s. c 253 s 20 are each amended to read as follows:

The initial members of the board shall be named by the governor within thirty days after January 1, 1972. At the first meeting of the board, the members appointed by the governor shall determine by lot the period of time from January 1, 1972, that each of them shall serve, one for one year; one for two years; one for three years; and one for four years. In the event of a vacancy on the board, the governor shall appoint a successor for the unexpired term.

Each member appointed by the governor shall qualify by taking the usual oath of a state officer, which shall be filed with the secretary of state, and each member shall hold office for the term of his or her appointment and until his or her successor is appointed and qualified.

Any member of the board other than the director or his or her designee may be removed by the governor for neglect of duty, misconduct, malfeasance, or misfeasance in office, after being given a written statement of the charges against him or her and sufficient opportunity to be heard thereon.

Sec. 525. RCW 19.16.300 and 1971 ex.s. c 253 s 21 are each amended to read as follows:

The board shall meet as soon as practicable after the governor has appointed the initial members of the board. The board shall meet at least once a year and at such other times as may be necessary for the transaction of its business.

The time and place of the initial meeting of the board and the annual meetings shall be at a time and place fixed by the director. Other meetings of the board shall be held upon written request of the director at a time and place designated by him or her, or upon the written request of any two members of the board at a time and place designated by them.

A majority of the board shall constitute a quorum.

A vacancy in the board membership shall not impair the right of the remaining members of the board to exercise any power or to perform any duty of the board, so long as the power is exercised or the duty performed by a quorum of the board.

Sec. 526. RCW 19.16.340 and 1971 ex.s. c 253 s 25 are each amended to read as follows:

All records of the board shall be kept in the office of the director. Copies of all records and papers of the board, certified to be true copies by the director, shall be received in evidence in all cases with like effect as the originals. All actions by the board which require publication, or any writing shall be over the signature of the director or his or her designee.

Sec. 527. RCW 19.16.430 and 1994 c 195 s 10 are each amended to read as follows:

(1) Any person who knowingly operates as a collection agency or out-of-state collection agency without a license or knowingly aids and abets such violation is punishable by a fine not exceeding five hundred dollars or by imprisonment not exceeding one year or both.

(2) Any person who operates as a collection agency or out-of-state collection agency in the state of Washington without a valid license issued pursuant to this chapter shall not charge or receive any fee or compensation on any moneys received or collected while operating without a license or on any

moneys received or collected while operating with a license but received or collected as a result of his, her, or its acts as a collection agency or out-of-state collection agency while not licensed hereunder. All such moneys collected or received shall be forthwith returned to the owners of the accounts on which the moneys were paid.

Sec. 528. RCW 19.16.470 and 1971 ex.s. c 253 s 38 are each amended to read as follows:

The attorney general may accept an assurance of discontinuance of any act or practice deemed in violation of this chapter from any person engaging in or who has engaged in such act or practice. Any such assurance shall be in writing and be filed with and subject to the approval of the superior court of the county in which the alleged violator resides or has his, her, or its principal place of business, or in the alternative, in Thurston county.

Such assurance of discontinuance shall not be considered an admission of a violation for any purpose; however, proof of failure to perform the terms of any such assurance shall constitute prima facie proof of a violation of this chapter for the purpose of securing an injunction as provided for in RCW 19.16.460: PROVIDED, That after commencement of any action by a prosecuting attorney, as provided therein, the attorney general may not accept an assurance of discontinuance without the consent of said prosecuting attorney.

Sec. 529. RCW 19.28.311 and 2005 c 280 s 1 are each amended to read as follows:

There is hereby created an electrical board, consisting of fifteen members to be appointed by the governor with the advice of the director of labor and industries as herein provided. It shall be the purpose and function of the board to advise the director on all matters pertaining to the enforcement of this chapter including, but not limited to, standards of electrical and telecommunications installation, minimum inspection procedures, and the adoption of rules pertaining to the electrical inspection division: PROVIDED, HOWEVER, That no rules shall be amended or repealed until the electrical board has first had an opportunity to consider any proposed amendments or repeals and had an opportunity to make recommendations to the director relative thereto. The members of the electrical board shall be selected and appointed as follows: One member shall be an employee or officer of a corporation or public agency generating or distributing electric power; one member must be an employee or officer of a facilities-based telecommunications service provider regulated by the Washington state utilities and transportation commission; three members shall be licensed electrical contractors: PROVIDED, That one of these members may be a representative of a trade association in the electrical industry; one member shall be a licensed telecommunications contractor; one member shall be an employee, or officer, or representative of a corporation or firm engaged in the business of manufacturing or distributing electrical and telecommunications materials, equipment, or devices; one member shall be a person with knowledge of the electrical industry, not related to the electrical industry, to represent the public; three members shall be certified electricians; one member shall be a telecommunications worker; one member shall be a licensed professional electrical engineer qualified to do business in the state of Washington and designated as a registered communications distribution designer; one member

shall be an outside line worker; and one nonvoting member must be a building official from an incorporated city or town with an electrical inspection program established under RCW 19.28.141. The regular term of each member shall be four years: PROVIDED, HOWEVER, The original board shall be appointed on June 9, 1988, for the following terms: The first term of the member representing a corporation or public agency generating or distributing electric power shall serve four years; two members representing licensed electrical contractors shall serve three years; the member representing a manufacturer or distributor of electrical equipment or devices shall serve three years; the member representing the public and one member representing licensed electrical contractors shall serve two years; the three members selected as certified electricians shall serve for terms of one, two, and three years, respectively; the member selected as the licensed professional electrical engineer shall serve for one year. In appointing the original board, the governor shall give due consideration to the value of continuity in membership from predecessor boards. Thereafter, the governor shall appoint or reappoint board members for terms of four years and to fill vacancies created by the completion of the terms of the original members. When new positions are created, the governor may appoint the initial members to the new positions to staggered terms of one to three years. The governor shall also fill vacancies caused by death, resignation, or otherwise for the unexpired term of such members by appointing their successors from the same business classification. The same procedure shall be followed in making such subsequent appointments as is provided for the original appointments. The board, at this first meeting shall elect one of its members to serve as (~~chairman~~) chair. Any person acting as the chief electrical inspector shall serve as secretary of the board during his or her tenure as chief state inspector. Meetings of the board shall be held at least quarterly in accordance with a schedule established by the board. Each member of the board shall receive compensation in accordance with RCW 43.03.240 and shall be reimbursed for travel expenses in accordance with RCW 43.03.050 and 43.03.060 which shall be paid out of the electrical license fund, upon vouchers approved by the director of labor and industries.

Sec. 530. RCW 19.29.010 and 2007 c 218 s 81 are each amended to read as follows:

It shall be unlawful from and after the passage of this chapter for any officer, agent, or employee of the state of Washington, or of any county, city, or other political subdivision thereof, or for any other person, firm or corporation, or its officers, agents or employees, to run, place, erect, maintain, or use any electrical apparatus or construction, except as provided in the rules of this chapter.

Rule 1. No wire or cable, except the neutral, carrying a current of less than seven hundred fifty volts of electricity within the corporate limits of any city or town shall be run, placed, erected, maintained, or used on any insulator the center of which is less than thirteen inches from the center line of any pole. And no such wire, except the neutral, shall be run past any pole to which it is not attached at a distance of less than thirteen inches from the center line thereof. This rule shall not apply to any wire or cable where the same is run from under ground and placed vertically on the pole; nor to any wire or cable where the same is attached to the top of the pole; nor to a pole top fixture as between it and the same pole; nor to any wire or cable between the points where the same is made to leave any pole or fixture thereon for the purpose of entering any

building or other structure and the point of attachment to such building or structure; nor to any jumper wire or cable carrying a current or connected with a transformer or other appliance on the same pole; nor to bridle or jumper wires on any pole which are attached to or connected with signal wires on the same pole; nor to any aerial cable as between such cable and any pole upon which it originates or terminates; nor to exclusive telephone or telegraph toll lines; nor to aerial cables containing telephone, telegraph, or signal wires, or wires continuing from same, where the cable is attached to poles on which no wires or cables other than the wires continuing from said cable are maintained, provided, that electric light or power wires or cables are in no case maintained on the same side of the street or highway on which said aerial cable is placed.

Rule 2. No wire or cable used to carry a current of over seven hundred fifty volts of electricity within the incorporate limits of any city or town shall be run, placed, erected, maintained, or used on any insulator the center of which is nearer than twenty-four inches to the center line of any pole. And no such wire or cable shall be run past any pole to which it is not attached at a distance of less than twenty-four inches from the center line thereof: PROVIDED, That this shall not apply to any wire or cable where the same is run from under ground and placed vertically on the pole; nor to any wire or cable where the same is attached to the top of the pole; nor to a pole top fixture, as between it and the same pole; nor to any wire or cable between the points where the same is made to leave any pole or fixture thereon for the purpose of entering any building or other structure, and the point of attachment to said building or structure; nor to any jumper wire or cable carrying a current or connected with transformers or other appliances on the same pole: PROVIDED FURTHER, That where said wire or cable is run vertically, it shall be rigidly supported and where possible run on the ends of the cross-arms.

Rule 3. No wire or cable carrying a current of more than seven hundred fifty volts, and less than seventy-five hundred volts of electricity, shall be run, placed, erected, maintained, or used within three feet of any wire or cable carrying a current of seven hundred fifty volts or less of electricity; and no wire or cable carrying a current of more than seventy-five hundred volts of electricity shall be run, placed, erected, maintained, or used within seven feet of any wire or cable carrying less than seventy-five hundred volts: PROVIDED, That the foregoing provisions of this paragraph shall not apply to any wire or cable within buildings or other structures; nor where the same are run from under ground and placed vertically upon the pole; nor to any service wire or cable where the same is made to leave any pole or fixture thereon for the purpose of entering any building or other structure, and the point of attachment to said building or structure; nor to any jumper wire or cable carrying a current or connected with a transformer or other appliance on the same pole: PROVIDED, That where run vertically, wires or cables shall be rigidly supported, and where possible run on the ends of the cross-arms: PROVIDED FURTHER, That as between any two wires or cables mentioned in Rules 1, 2, and 3 of this section, only the wires or cables last in point of time so run, placed, erected, or maintained, shall be held to be in violation of the provisions thereof.

Rule 4. No wire or cable used for telephone, telegraph, district messenger, or call bell circuit, fire or burglar alarm, or any other similar system, shall be run, placed, erected, maintained, or used on any pole at a distance of less than three

feet from any wire or cable carrying a current of over three hundred volts of electricity; and in all cases (except those mentioned in exceptions to Rules 1, 2, and 3) where such wires or cables are run, above or below, or cross over or under electric light or power wires, or a trolley wire, a suitable method of construction, or insulation or protection to prevent contact shall be maintained as between such wire or cable and such electric light, power or trolley wire; and said methods of construction, insulation, or protection shall be installed by, or at the expense of the person owning the wire last placed in point of time: PROVIDED, That telephone, telegraph, or signal wires or cables operated for private use and not furnishing service to the public, may be placed less than three feet from any line carrying a voltage of less than seven hundred and fifty volts.

Rule 5. Transformers, either single or in bank, that exceed a total capacity of over ten K.W. shall be supported by a double cross-arm, or some fixture equally as strong. No transformer shall be placed, erected, maintained, or used on any cross-arm or other appliance on a pole upon which is placed a series electric arc lamp or arc light: PROVIDED, This shall not apply to a span wire supporting a lamp only. All aerial and underground transformers used for low potential distribution shall be subjected to an insulation test in accordance with the standardized rules of the American institute of electrical engineers. In addition to this each transformer shall be tested at rated line voltage prior to each installation and shall have attached to it a tag showing the date on which the test was made, and the name of the person making the test.

Rule 6. No wire or cable, other than ground wires, used to conduct or carry electricity, shall be placed, run, erected, maintained, or used vertically on any pole without causing such wire or cable to be at all times sufficiently insulated the full length thereof to insure the protection of anyone coming in contact with said wire or cable.

Rule 7. The neutral point or wire of all transformer secondaries strung or erected for use in low potential distributing systems shall be grounded in all cases where the normal maximum difference of potential between the ground and any point in the secondary circuit will not exceed one hundred and fifty volts. When no neutral point or wire is accessible one side of the secondary circuit shall be grounded in the case of single phase transformers, and any one common point in the case of interconnected polyphase bank or banks of transformers. Where the maximum difference of potential between the ground and any point in the secondary circuit will, when grounded, exceed one hundred fifty volts, grounding shall be permitted. Such grounding shall be done in the manner provided in Rule 30.

Rule 8. In all cases where a wire or cable larger than No. 14 B.W.G. originates or terminates on insulators attached to any pin or other appliance, said wire or cable shall be attached to at least two insulators: PROVIDED HOWEVER, That this section shall not apply to service wires to buildings; nor to wires run vertically on a pole; nor to wires originating or terminating on strain insulators or circuit breakers; nor to telephone, telegraph or signal wires outside the limits of any incorporated city or town.

Rule 9. Fixtures placed or erected for the support of wires on the roofs of buildings shall be of sufficient strength to withstand all strains to which they may be subjected, due to the breaking of all wires on one side thereof, and except where insulated wires or cables are held close to fire walls by straps or

rings, shall be of such height and so placed that all of the wires supported by such fixtures shall be at least seven feet above any point of roofs less than one-quarter pitch over which they pass or may be attached, and no roof fixtures or wire shall be so placed that they will interfere with the free passage of persons upon, over, to or from the roofs.

Rule 10. No guy wire or cable shall be placed, run, erected, maintained, or used within the incorporate limits of any city or town on any pole or appliance to which is attached any wire or cable used to conduct electricity without causing said guy wire or cable to be efficiently insulated with circuit breakers at all times at a distance of not less than eight feet nor more than ten feet measured along the line of said guy wire or cable from each end thereof: PROVIDED, No circuit breaker shall be required at the lower end of the guy wire or cable where the same is attached to a ground anchor, nor shall any circuit breaker be required where said guy wire or cable runs direct from a grounded messenger wire to a grounded anchor rod.

Rule 11. In all span wires used for the purpose of supporting trolley wires or series arc lamps there shall be at least two circuit breakers, one of which shall at all times be maintained no less than four feet nor more than six feet distant from the trolley wire or series arc lamp, and in cases where the same is supported by a building or metallic pole, the other circuit breaker shall be maintained at the building or at the pole: PROVIDED, That in span wires which support two or more trolley wires no circuit breaker shall be required in the span wire between any two of the trolley wires: PROVIDED FURTHER, That in span wires supporting trolley wires attached to wooden poles only the circuit breaker adjacent to the trolley wire shall be required.

Rule 12. At all points where in case of a breakdown of trolley span wires, the trolley wire would be liable to drop within seven feet of the ground, there shall be double span wires and hangers placed at such points.

Rule 13. All energized wires or appliances installed inside of any building or vault, for the distribution of electrical energy, shall be sufficiently insulated, or so guarded, located, or arranged as to protect any person from injury.

Rule 14. The secondary circuit of current transformers, the casings of all potential regulators and arc light transformers, all metal frames of all switch boards, metal oil tanks used on oil switches except where the tank is part of the conducting system, all motor and generator frames, the entire frame of the crane and the tracks of all traveling cranes and hoisting devices, shall be thoroughly grounded, as provided in Rule 30.

Rule 15. All generators and motors having a potential of more than three hundred volts shall be provided with a suitable insulated platform or mat so arranged as to permit the attendant to stand upon such platform or mat when working upon the live parts of such generators or motors.

Rule 16. Suitable insulated platforms or mats shall be provided for the use of all persons while working on any live part of switchboards on which any wire or appliance carries a potential in excess of three hundred volts.

Rule 17. Every generator, motor, transformer, switch, or other similar piece of apparatus and device used in the generation, transmission or distribution of electrical energy in stations or substations, shall be either provided with a name plate giving the capacity in volts and amperes, or have this information stamped thereon in such a manner as to be clearly legible.

Rule 18. When lines of seven hundred fifty volts or over are cut out at the station or substation to allow employees to work upon them, they shall be short-circuited and grounded at the station, and shall in addition, if the line wires are bare, be short-circuited, and where possible grounded at the place where the work is being done.

Rule 19. All switches installed with overload protection devices, and all automatic overload circuit breakers must have the trip coils so adjusted as to afford complete protection against overloads and short circuits, and the same must be so arranged that no pole can be opened manually without opening all the poles, and the trip coils shall be instantly operative upon closing.

Rule 20. All feeders for electric railways must, before leaving the plant or substation, be protected by an approved circuit breaker which will cut off the circuit in case of an accidental ground or short circuit.

Rule 21. There shall be provided in all distributing stations a ground detecting device.

Rule 22. There shall be provided in all stations, plants, and buildings herein specified warning cards printed on red cardboard not less than two and one-quarter by four and one-half inches in size, which shall be attached to all switches opened for the purpose of lineworkers or other employees working on the wires. The person opening any line switch shall enter upon said card the name of the person ordering the switch opened, the time opened, the time line was reported clear and by whom, and shall sign his or her own name.

Rule 23. No manhole containing any wire carrying a current of over three hundred volts shall be less than six feet from floor to inside of roof; if circular in shape it shall not be less than six feet in diameter; if square it shall be six feet from wall to wall: PROVIDED HOWEVER, That this paragraph shall not apply to any manhole in which it shall not be required that any person enter to perform work: PROVIDED FURTHER, That the foregoing provisions of this paragraph shall not apply where satisfactory proof shall be submitted to the proper authorities that it is impracticable or physically impossible to comply with this law within the space or location designated by the proper authorities.

Rule 24. All manholes containing any wires or appliances carrying electrical current shall be kept in a sanitary condition, free from stagnant water or seepage or other drainage which is offensive or dangerous to health, either by sewer connection or otherwise, while any person is working in the same.

Rule 25. No manhole shall have an opening to the outer air of less than twenty-six inches in diameter, and the cover of same shall be provided with vent hole or holes equivalent to three square inches in area.

Rule 26. No manhole shall have an opening which is, at the surface of the ground, within a distance of three feet at any point from any rail of any railway or streetcar track: PROVIDED, That this shall not apply where satisfactory proof shall be submitted to the proper authorities that it is impracticable or physically impossible to comply with the provisions of this paragraph: PROVIDED, That in complying with the provisions of this rule only the construction last in point of time performed, placed, or erected shall be held to be in violation thereof.

Rule 27. Whenever persons are working in any manhole whose opening to the outer air is less than three feet from the rail of any railway or streetcar track,

a watchperson or attendant shall be stationed on the surface at the entrance of such manhole at all times while work is being performed therein.

Rule 28. All persons employed in manholes shall be furnished with insulated platforms so as to protect the workers while at work in the manholes: PROVIDED, That this paragraph shall not apply to manholes containing only telephone, telegraph, or signal wires or cables.

Rule 29. No work shall be permitted to be done on any live wire, cable, or appliance carrying more than seven hundred fifty volts of electricity by less than two competent and experienced persons, who, at all times while performing such work shall be in the same room, chamber, manhole or other place in which, or on the same pole on which, such work is being done: PROVIDED, That in districts where only one competent and experienced person is regularly employed, and a second competent and experienced person cannot be obtained without delay at prevailing rate of pay in said district, such work shall be permitted to be done by one competent and experienced person and a helper who need not be on the same pole on which said work is being done.

No work shall be permitted to be done in any manhole or subway on any live wire, cable, or appliance carrying more than three hundred volts of electricity by less than two competent and experienced persons, who at all times while performing such work shall be in the same manhole or subway in which such work is being done.

Rule 30. The grounding provided for in these rules shall be done in the following manner: By connecting a wire or wires not less than No. 6 B.&S. gauge to a water pipe of a metallic system outside of the meter, if there is one, or to a copper plate one-sixteenth inch thick and not less than three feet by six feet area buried in coke below the permanent moisture level, or to other device equally as efficient. The ground wire or wires of a direct current system of three or more wires shall not be smaller than the neutral wire at the central station, and not smaller than a No. 6 B.&S. gauge elsewhere: PROVIDED, That the maximum cross section area of any ground wire or wires at the central station need not exceed one million circular mils. The ground wires shall be carried in as nearly a straight line as possible, and kinks, coils, and short bends shall be avoided: PROVIDED, That the provisions of this rule shall not apply as to size to ground wires run from instrument transformers or meters.

Sec. 531. RCW 19.31.020 and 1998 c 228 s 1 are each amended to read as follows:

Unless a different meaning is clearly required by the context, the following words and phrases, as hereinafter used in this chapter, shall have the following meanings:

(1) "Employment agency" is synonymous with "agency" and shall mean any business in which any part of the business gross or net income is derived from a fee received from applicants, and in which any of the following activities are engaged in:

(a) The offering, promising, procuring, or attempting to procure employment for applicants;

(b) The giving of information regarding where and from whom employment may be obtained; or

(c) The sale of a list of jobs or a list of names of persons or companies accepting applications for specific positions, in any form.

In addition the term "employment agency" shall mean and include any person, bureau, employment listing service, employment directory, organization, or school which for profit, by advertisement or otherwise, offers, as one of its main objects or purposes, to procure employment for any person who pays for its services, or which collects tuition, or charges for service of any nature, where the main object of the person paying the same is to secure employment. It also includes any business that provides a resume to an individual and provides that person with a list of names to whom the resume may be sent or provides that person with preaddressed envelopes to be mailed by the individual or by the business itself, if the list of names or the preaddressed envelopes have been compiled and are represented by the business as having job openings. The term "employment agency" shall not include labor union organizations, temporary service contractors, proprietary schools operating within the scope of activities for which the school is licensed under chapter 28C.10 RCW, nonprofit schools and colleges, career guidance and counseling services, employment directories that are sold in a manner that allows the applicant to examine the directory before purchase, theatrical agencies, farm labor contractors, or the Washington state employment agency.

(2) "Temporary service contractors" shall mean any person, firm, association, or corporation conducting a business which consists of employing individuals directly for the purpose of furnishing such individuals on a part time or temporary help basis to others.

(3) "Theatrical agency" means any person who, for a fee or commission, procures on behalf of an individual or individuals, employment or engagements for circus, vaudeville, the variety field, the legitimate theater, motion pictures, radio, television, phonograph recordings, transcriptions, opera, concert, ballet, modeling, or other entertainments, exhibitions, or performances. The term "theatrical agency" does not include any person charging an applicant a fee prior to or in advance of:

- (a) Procuring employment for the applicant;
- (b) Giving or providing the applicant information regarding where or from whom employment may be obtained;
- (c) Allowing or requiring the applicant to participate in any instructional class, audition, or career guidance or counseling; or
- (d) Allowing the applicant to be eligible for employment through the person.

(4) "Farm labor contractor" means any person, or his or her agent, who, for a fee, employs workers to render personal services in connection with the production of any farm products, to, for, or under the direction of an employer engaged in the growing, producing, or harvesting of farm products, or who recruits, solicits, supplies, or hires workers on behalf of an employer engaged in the growing, producing, or harvesting of farm products or who provides in connection with recruiting, soliciting, supplying, or hiring workers engaged in the growing, producing, or harvesting of farm products, one or more of the following services: Furnishes board, lodging, or transportation for such workers, supervises, times, checks, counts, sizes, or otherwise directs or measures their work; or disburses wage payments to such persons.

(5) "Employer" means any person, firm, corporation, partnership, or association employing or seeking to enter into an arrangement to employ a person through the medium or service of an employment agency.

(6) "Applicant," except when used to describe an applicant for an employment agency license, means any person, whether employed or unemployed, seeking or entering into any arrangement for his or her employment or change of his or her employment through the medium or service of an employment agency.

(7) "Person" includes any individual, firm, corporation, partnership, association, company, society, manager, contractor, subcontractor, bureau, agency, service, office, or an agent or employee of any of the foregoing.

(8) "Director" shall mean the director of licensing.

(9) "Resume" means a document of the applicant's employment history that is approved, received, and paid for by the applicant.

(10) "Fee" means anything of value. The term includes money or other valuable consideration or services or the promise of money or other valuable consideration or services, received directly or indirectly by an employment agency from a person seeking employment, in payment for the service.

(11) "Employment listing service" means any business operated by any person that provides in any form, including written or verbal, lists of specified positions of employment available with any employer other than itself or that holds itself out to applicants as able to provide information about specific positions of employment available with any employer other than itself, and that charges a fee to the applicant for its services and does not set up interviews or otherwise intercede between employer and applicant.

(12) "Employment directory" means any business operated by any person that provides in any form, including written or verbal, lists of employers, does not provide lists of specified positions of employment, that holds itself out to applicants as able to provide information on employment in specific industries or geographical areas, and that charges a fee to the applicant for its services.

(13) "Career guidance and counseling service" means any person, firm, association, or corporation conducting a business that engages in any of the following activities:

(a) Career assessment, planning, or testing through individual counseling or group seminars, classes, or workshops;

(b) Skills analysis, resume writing, and preparation through individual counseling or group seminars, classes, or workshops;

(c) Training in job search or interviewing skills through individual counseling or group seminars, classes, or workshops: PROVIDED, That the career guidance and counseling service does not engage in any of the following activities:

(i) Contacts employers on behalf of an applicant or in any way intercedes between employer and applicant;

(ii) Provides information on specific job openings;

(iii) Holds itself out as able to provide referrals to specific companies or individuals who have specific job openings.

Sec. 532. RCW 19.31.080 and 1969 ex.s. c 228 s 8 are each amended to read as follows:

It shall be a misdemeanor for any person to conduct an employment agency business in this state unless he or she has an employment agency license issued pursuant to the provisions of this chapter.

Sec. 533. RCW 19.31.090 and 1977 ex.s. c 51 s 4 are each amended to read as follows:

(1) Before conducting any business as an employment agency each licensee shall file with the director a surety bond in the sum of two thousand dollars running to the state of Washington, for the benefit of any person injured or damaged as a result of any violation by the licensee or his or her agent of any of the provisions of this chapter or of any rule or regulation adopted by the director pursuant to RCW 19.31.070(1).

(2) In lieu of the surety bond required by this section the license applicant may file with the director a cash deposit or other negotiable security acceptable to the director: PROVIDED, HOWEVER, If the license applicant has filed a cash deposit, the director shall deposit such funds with the state treasurer. If the license applicant has deposited cash or other negotiable security with the director, the same shall be returned to the licensee at the expiration of one year after the employment agency's license has expired or been revoked, if no legal action has been instituted against the licensee or the surety deposit at the expiration of the year.

(3) Any person having a claim against an employment agency for any violation of the provisions of this chapter or any rule or regulation promulgated thereunder may bring suit upon such bond or deposit in an appropriate court of the county where the office of the employment agency is located or of any county in which jurisdiction of the employment agency may be had. Action upon such bond or deposit shall be commenced by serving and filing of the complaint within one year from the date of expiration of the employment agency license in force at the time the act for which the suit is brought occurred. A copy of the complaint shall be served by registered or certified mail upon the director at the time the suit is started, and the director shall maintain a record, available for public inspection, of all suits so commenced. Such service on the director shall constitute service on the surety and the director shall transmit the complaint or a copy thereof to the surety within five business days after it shall have been received. The surety upon the bond shall not be liable in an aggregate amount in excess of the amount named in the bond, but in case claims pending at any one time exceed the amount of the bond, claims shall be satisfied in the order of judgment rendered. In the event that any final judgment shall impair the liability of the surety upon bond so furnished or the amount of the deposit so that there shall not be in effect a bond undertaking or deposit in the full amount prescribed in this section, the director shall suspend the license of such employment agency until the bond undertaking or deposit in the required amount, unimpaired by unsatisfied judgment claims, shall have been furnished.

(4) In the event of a final judgment being entered against the deposit or security referred to in subsection (2) of this section, the director shall, upon receipt of a certified copy of the final judgment, order said judgment to be paid from the amount of the deposit or security.

Sec. 534. RCW 19.31.170 and 1993 c 499 s 6 are each amended to read as follows:

(1) If an applicant accepts employment by agreement with an employer and thereafter never reports for work, the gross fee charged to the applicant shall not exceed: (a) Ten percent of what the first month's gross salary or wages would be, if known; or (b) ten percent of the first month's drawing account. If the employment was to have been on a commission basis without any drawing account, then no fee may be charged in the event that the applicant never reports for work.

(2) If an applicant accepts employment on a commission basis without any drawing account, then the gross fee charged such applicant shall be a percentage of commissions actually earned.

(3) If an applicant accepts employment and if within sixty days of his or her reporting for work the employment is terminated, then the gross fee charged such applicant shall not exceed twenty percent of the gross salary, wages, or commission received by him or her.

(4) If an applicant accepts temporary employment as a domestic, household employee, baby sitter, agricultural worker, or day laborer, then the gross fee charged such applicant shall not be in excess of twenty-five percent of the first full month's gross salary or wages: PROVIDED, That where an applicant accepts employment as a domestic or household employee for a period of less than one month, then the gross fee charged such applicant shall not exceed twenty-five percent of the gross salary or wages paid.

(5) Any applicant requesting a refund of a fee paid to an employment agency in accordance with the terms of the approved fee schedule of the employment agency pursuant to this section shall file with the employment agency a form requesting such refund on which shall be set forth information reasonably needed and requested by the employment agency, including but not limited to the following: Circumstances under which employment was terminated, dates of employment, and gross earnings of the applicant.

(6) Refund requests which are not in dispute shall be made by the employment agency within thirty days of receipt.

(7) Subsections (1) through (6) of this section do not apply to employment listing services or employment directories.

Sec. 535. RCW 19.31.180 and 1969 ex.s. c 228 s 18 are each amended to read as follows:

Each licensee shall post the following in a conspicuous place in each office in which it conducts business: (1) The substance of RCW 19.31.150 through 19.31.170; and (2) a name and address provided by the director, in a form prescribed by him or her, of a person to whom complaints concerning possible violation of this chapter may be made. All words required to be posted pursuant to this section shall be printed in ten point bold face type.

Sec. 536. RCW 19.31.190 and 1993 c 499 s 7 are each amended to read as follows:

In addition to the other provisions of this chapter the following rules shall govern each and every employment agency:

(1) Every license or a verified copy thereof shall be displayed in a conspicuous place in each office of the employment agency;

(2) No fee shall be solicited or accepted as an application or registration fee by any employment agency solely for the purpose of being registered as an applicant for employment;

(3) No licensee or agent of the licensee shall solicit, persuade, or induce an employee to leave any employment in which the licensee or agent of the licensee has placed the employee; nor shall any licensee or agent of the licensee persuade or induce or solicit any employer to discharge any employee;

(4) No employment agency shall knowingly cause to be printed or published a false or fraudulent notice or advertisement for obtaining work or employment. All advertising by a licensee shall signify that it is an employment agency solicitation except an employment listing service shall advertise it is an employment listing service;

(5) An employment directory shall include the following on all advertisements:

"Directory provides information on possible employers and general employment information but does not list actual job openings.";

(6) No licensee shall fail to state in any advertisement, proposal, or contract for employment that there is a strike or lockout at the place of proposed employment, if he or she has knowledge that such condition exists;

(7) No licensee or agent of a licensee shall directly or indirectly split, divide, or share with an employer any fee, charge, or compensation received from any applicant who has obtained employment with such employer or with any other person connected with the business of such employer;

(8) When an applicant is referred to the same employer by two licensees, the fee shall be paid to the licensee who first contacted the applicant concerning the position for that applicant: PROVIDED, That the licensee has given the name of the employer to the applicant and has within five working days arranged an interview with the employer and the applicant was hired as the result of that interview;

(9) No licensee shall require in any manner that a potential employee or an employee of an employer make any contract with any lending agency for the purpose of fulfilling a financial obligation to the licensee;

(10) All job listings must be bona fide job listings. To qualify as a bona fide job listing the following conditions must be met:

(a) A bona fide job listing must be obtained from a representative of the employer that reflects an actual current job opening;

(b) A representative of the employer must be aware of the fact that the job listing will be made available to applicants by the employment listing service and that applicants will be applying for the job listing;

(c) All job listings and referrals must be current. To qualify as a current job listing the employment listing service shall contact the employer and verify the availability of the job listing no less than once per week;

(11) All listings for employers listed in employment directories shall be current. To qualify as a current employer, the employment directory must contact the employer at least once per month and verify that the employer is currently hiring;

(12) Any aggrieved person, firm, corporation, or public officer may submit a written complaint to the director charging the holder of an employment agency

license with violation of this chapter and/or the rules and regulations adopted pursuant to this chapter.

Sec. 537. RCW 19.31.210 and 1969 ex.s. c 228 s 21 are each amended to read as follows:

The director may refer such evidence as may be available to him or her concerning violations of this chapter or of any rule or regulation adopted hereunder to the attorney general or the prosecuting attorney of the county wherein the alleged violation arose, who may, in their discretion, with or without such a reference, in addition to any other action they might commence, bring an action in the name of the state against any person to restrain and prevent the doing of any act or practice prohibited by this chapter: PROVIDED, That this chapter shall be considered in conjunction with chapters 9.04 and 19.86 RCW, as now or hereafter amended, and the powers and duties of the attorney general and the prosecuting attorney as they may appear in the aforementioned chapters, shall apply against all persons subject to this chapter.

Sec. 538. RCW 19.31.220 and 1969 ex.s. c 228 s 22 are each amended to read as follows:

In the enforcement of this chapter, the attorney general and/or any said prosecuting attorney may accept an assurance of discontinuance from any person deemed in violation of any provisions of this chapter. Any such assurance shall be in writing and shall be filed with and subject to the approval of the superior court of the county in which the alleged violator resides or has his or her principal place of business, or in Thurston county.

Sec. 539. RCW 19.31.240 and 1969 ex.s. c 228 s 24 are each amended to read as follows:

Personal service of any process in an action under this chapter may be made upon any person outside the state if such person has engaged in conduct in violation of this chapter which conduct has had impact in this state which this chapter reprehends. Such person shall be deemed to have thereby submitted himself or herself to the jurisdiction of the courts of this state within the meaning of RCW 4.28.180 and 4.28.185, as now or hereafter amended.

Sec. 540. RCW 19.36.010 and 1905 c 58 s 1 are each amended to read as follows:

In the following cases, specified in this section, any agreement, contract, and promise shall be void, unless such agreement, contract, or promise, or some note or memorandum thereof, be in writing, and signed by the party to be charged therewith, or by some person thereunto by him or her lawfully authorized, that is to say: (1) Every agreement that by its terms is not to be performed in one year from the making thereof; (2) every special promise to answer for the debt, default, or misdoings of another person; (3) every agreement, promise, or undertaking made upon consideration of marriage, except mutual promises to marry; (4) every special promise made by an executor or administrator to answer damages out of his or her own estate; (5) an agreement authorizing or employing an agent or broker to sell or purchase real estate for compensation or a commission.

Sec. 541. RCW 19.48.070 and 1929 c 216 s 3 are each amended to read as follows:

Except as provided for in RCW 19.48.030, the proprietor, keeper, owner, operator, lessee, or manager, whether individual, partnership, or corporation, of a hotel, lodging house, or inn, shall not be liable for the loss or destruction of, or damage to any personal property brought or sent into such hotel, lodging house, or inn, by or for any of the guests, boarders, or lodgers thereof, unless such loss, destruction, or damage is occasioned by the gross negligence of such proprietor, keeper, owner, operator, lessee, or manager, or his, her, their, or its agents, servants, or employees; but in no event shall such liability exceed the sum of two hundred dollars, unless such proprietor, keeper, owner, operator, lessee, or manager, shall have contracted in writing with such guest, boarder, or lodger to assume a greater liability: PROVIDED, HOWEVER, That in no event shall liability of the proprietor, keeper, owner, operator, lessee, or manager, or his, her, their, or its agents, servants or employees, of a hotel, lodging house, or inn exceed the following: For a guest, boarder, or lodger, paying twenty-five cents per day, for lodging, or for any person who is not a guest, boarder, or lodger, the liability for loss, destruction, or damage, shall not exceed the sum of fifty dollars for a trunk and contents, ten dollars for a suitcase or valise and contents, five dollars for a box, bundle, or package, and ten dollars for wearing apparel or miscellaneous effects. For a guest, boarder, or lodger, paying fifty cents a day for lodging, the liability for loss, destruction, or damage shall not exceed seventy-five dollars for a trunk and contents, twenty dollars for a suitcase or valise and contents, ten dollars for a box, bundle, or package and contents, and twenty dollars for wearing apparel and miscellaneous effects. For a guest, boarder, or lodger paying more than fifty cents per day for lodging, the liability for loss, destruction, or damage shall not exceed one hundred fifty dollars for a trunk and contents, fifty dollars for a suitcase or valise and contents, ten dollars for a box, bundle, or package and contents, and fifty dollars for wearing apparel and miscellaneous effects, unless in such case such proprietor, keeper, owner, operator, lessee, or manager of such hotel, lodging house, or inn, shall have consented in writing to assume a greater liability: AND PROVIDED FURTHER, Whenever any person shall suffer his or her baggage or property to remain in any hotel, lodging house, or inn, after leaving the same as a guest, boarder, or lodger, and after the relation of guest, boarder, or lodger between such person and the proprietor, keeper, owner, operator, lessee, or manager of such hotel, lodging house, or inn, has ceased, or shall forward or deliver the same to such hotel, lodging house, or inn, before, or without, becoming a guest, boarder, or lodger thereof, and the same shall be received into such hotel, lodging house, or inn, the liability of such proprietor, keeper, owner, operator, lessee, or manager thereof shall in no event exceed the sum of one hundred dollars, and such proprietor, keeper, owner, operator, lessee, or manager, may at his, her, their or its option, hold such baggage or property at the risk of such owner thereof; and when any baggage or property has been kept or stored by such hotel, lodging house, or inn, for six months after such relation of guest, boarder, or lodger has ceased, or when such relation does not exist, after six months from the receipt of such baggage or property in such hotel, lodging house, or inn, such proprietor, keeper, owner, operator, lessee, or manager, may, if he, she, they or it so desires, sell the same at public auction in the manner now or hereinafter provided by law for the sale of property to satisfy a hotel keeper's lien, and from the proceeds of such sale pay or reimburse himself or herself the

expenses incurred for advertisement and sale, as well as any storage that may have accrued, and any other amounts owing by such person to said hotel, lodging house, or inn: PROVIDED, That when any such baggage or property is received, kept, or stored therein after such relation does not exist, such proprietor, keeper, owner, operator, lessee, or manager, may, if he, she, or it, so desires, deliver the same at any time to a storage or warehouse company for storage, and in such event all responsibility or liability of such hotel, lodging house, or inn, for such baggage or property, or for storage charges thereon, shall thereupon cease and terminate.

Sec. 542. RCW 19.52.010 and 1992 c 134 s 13 are each amended to read as follows:

(1) Every loan or forbearance of money, goods, or thing in action shall bear interest at the rate of twelve percent per annum where no different rate is agreed to in writing between the parties: PROVIDED, That with regard to any transaction heretofore or hereafter entered into subject to this section, if an agreement in writing between the parties evidencing such transaction provides for the payment of money at the end of an agreed period of time or in installments over an agreed period of time, then such agreement shall constitute a writing for purposes of this section and satisfy the requirements thereof. The discounting of commercial paper, where the borrower makes himself or herself liable as maker, guarantor, or indorser, shall be considered as a loan for the purposes of this chapter.

(2) A lease shall not be considered a loan or forbearance for the purposes of this chapter if:

- (a) It constitutes a "consumer lease" as defined in RCW 63.10.020;
- (b) It constitutes a lease-purchase agreement under chapter 63.19 RCW; or
- (c) It would constitute such "consumer lease" but for the fact that:
 - (i) The lessee was not a natural person;
 - (ii) The lease was not primarily for personal, family, or household purposes;

or

- (iii) The total contractual obligation exceeded twenty-five thousand dollars.

Sec. 543. RCW 19.64.010 and 1943 c 229 s 1 are each amended to read as follows:

Where the owner, licensee, or operator of a radio or television broadcasting station, or the agents or employees thereof, has required a person speaking over said station to submit a written copy of his or her script prior to such broadcast and has cut such speaker off the air as soon as reasonably possible in the event such speaker deviates from such written script, said owner, licensee, or operator, or the agents or employees thereof, shall not be liable for any damages, for any defamatory statement published or uttered by such person in or as a part of such radio or television broadcast unless such defamatory statements are contained in said written script.

Sec. 544. RCW 19.64.020 and 1943 c 229 s 2 are each amended to read as follows:

Nothing contained shall be construed as limiting the liability of any speaker or his or her sponsor or sponsors for defamatory statements made by such speaker in or as a part of any such broadcast.

Sec. 545. RCW 19.68.030 and 1965 ex.s. c 58 s 3 are each amended to read as follows:

The license of any person so licensed may be revoked or suspended if he or she has directly or indirectly requested, received, or participated in the division, transference, assignment, rebate, splitting, or refunding of a fee for, or has directly or indirectly requested, received, or profited by means of a credit or other valuable consideration as a commission, discount, or gratuity in connection with the furnishing of medical, surgical, or dental care, diagnosis or treatment or service, including X-ray examination and treatment, or for or in connection with the sale, rental, supplying or furnishing of clinical laboratory service or supplies, X-ray services or supplies, inhalation therapy service or equipment, ambulance service, hospital or medical supplies, physiotherapy or other therapeutic service or equipment, artificial limbs, teeth, or eyes, orthopedic or surgical appliances or supplies, optical appliances, supplies or equipment, devices for aid of hearing, drugs, medication or medical supplies or any other goods, services or supplies prescribed for medical diagnosis, care or treatment, except payment, not to exceed thirty-three and one-third percent of any fee received for X-ray examination, diagnosis, or treatment, to any hospital furnishing facilities for such examination, diagnosis, or treatment.

Sec. 546. RCW 19.72.070 and Code 1881 s 648 are each amended to read as follows:

When any defendant, surety in a judgment or special bail or replevin or surety in a delivery bond or replevin bond, or any person being surety in any bond whatever, has been or shall be compelled to pay any judgment or any part thereof, or shall make any payment which is applied upon such judgment by reason of such suretyship, or when any sheriff or other officer or other surety upon his or her official bond shall be compelled to pay any judgment or any part thereof by reason of any default of such officer, except for failing to pay over money collected, or for wasting property levied upon, the judgment shall not be discharged by such payment, but shall remain in force for the use of the bail, surety, officer, or other person making such payment, and after the plaintiff is paid, so much of the judgment as remains unsatisfied may be prosecuted to execution for his or her use.

Sec. 547. RCW 19.72.090 and Code 1881 s 650 are each amended to read as follows:

No surety or his or her representative shall confess judgment or suffer judgment by default in any case where he or she is notified that there is a valid defense, if the principal will enter himself or herself defendant to the action and tender to the surety or his or her representatives good security to indemnify him or her, to be approved by the court.

Sec. 548. RCW 19.72.101 and Code 1881 s 645 are each amended to read as follows:

If the creditor or obligee shall not proceed within a reasonable time to bring his or her action upon such contract, and prosecute the same to judgment and execution, the surety shall be discharged from all liability thereon.

Sec. 549. RCW 19.72.130 and 1937 c 145 s 3 are each amended to read as follows:

On and after the date fixed in the notice as the termination date the surety shall be released from subsequent liability on such bond; and, unless before the date fixed in such notice as the termination date by the surety, a new bond shall be filed with sufficient and satisfactory surety as required by law under which the bond was originally furnished and filed, the office, position, or trust in the case of a public office, guardian, executor, administrator, receiver, or trustee shall become vacant and a successor shall be appointed as provided by law; and in case of a license, certificate, permit, or franchise, the same shall become null and void: PROVIDED, HOWEVER, That no surety shall be released on the bond of any guardian, executor, administrator, receiver, or trustee until such fiduciary shall have furnished a new bond with surety approved by the court, or until his or her successor has been appointed and has qualified and taken over the fiduciary assets. Said notice of withdrawal shall be final and not subject to cancellation by said surety and said license, certificate, permit, or franchise can only be continued upon filing a new bond as above provided.

Sec. 550. RCW 19.72.160 and 1953 c 46 s 1 are each amended to read as follows:

It shall be lawful for any party of whom a bond, undertaking, or other obligation is required, to agree with his or her surety or sureties for the deposit of any or all moneys and assets for which he or she and his or her surety or sureties are or may be held responsible, with a bank, savings bank, savings and loan association, safe deposit or trust company, authorized by law to do business as such, or with other depository approved by the court or a judge thereof, if such deposit is otherwise proper, for the safekeeping thereof, and in such manner as to prevent the withdrawal of such money or assets or any part thereof, without the written consent of such surety or sureties, or an order of court, or a judge thereof made on such notice to such surety or sureties as such court or judge may direct: PROVIDED, HOWEVER, That such agreement shall not in any manner release from or change the liability of the principal or sureties as established by the terms of said bond.

Sec. 551. RCW 19.77.030 and 2010 1st sp.s. c 29 s 9 are each amended to read as follows:

(1) Subject to the limitations set forth in this chapter, any person who has adopted and is using a trademark in this state may file in the office of the secretary of state, on a form to be furnished by the secretary of state, an application for registration of that trademark setting forth, but not limited to, the following information:

(a) The name and business address of the applicant, and, if the applicant is a corporation, its state of incorporation;

(b) The particular goods or services in connection with which the trademark is used and the class in which such goods or services fall;

(c) The manner in which the trademark is placed on or affixed to the goods or containers, or displayed in connection with such goods, or used in connection with the sale or advertising of the services;

(d) The date when the trademark was first used with such goods or services anywhere and the date when it was first used with such goods or services in this state by the applicant or his or her predecessor in business;

(e) A statement that the trademark is presently in use in this state by the applicant;

(f) A statement that the applicant believes himself or herself to be the owner of the trademark and believes that no other person has the right to use such trademark in connection with the same or similar goods or services in this state either in the identical form or in such near resemblance thereto as to be likely, when used on or in connection with the goods or services of such other person, to cause confusion or mistake or to deceive; and

(g) Such additional information or documents as the secretary of state may reasonably require.

(2) A single application for registration of a trademark may specify all goods or services in a single class or in multiple classes for which the trademark is actually being used.

(3) The application must be signed by the applicant individual, or by a member of the applicant firm, or by an officer of the applicant corporation, association, union, or other organization.

(4) The application must be accompanied by three specimens or facsimiles of the trademark for each of the goods or services for which its registration is requested, and a filing fee, as set by rule by the secretary of state, payable to the secretary of state. The fee established by the secretary may vary based upon the number of categories listed in the application.

(5) An applicant may correct an application previously filed by the secretary of state, within ninety days of the original filing, if the application contains an incorrect statement or the application was defectively executed, signed, or acknowledged. An application is corrected by filing a form provided by the secretary of state, and accompanied by a filing fee established by the secretary by rule. The correction may not change the mark itself. A corrected application is effective on the effective date of the document it corrects, except that it is effective on the date the correction is filed as to persons relying on the uncorrected document and adversely affected by the correction.

(6) An applicant may amend an application previously filed by the secretary of state if the applicant changes the categories in which it does business. An application is amended by filing a form provided by the secretary of state, accompanied by three specimens or facsimiles of the trademark for any new or additional goods or services for which the amendment is requested, and a filing fee established by the secretary by rule. The amendment or correction may not change the mark itself. An amended application is effective on the date it is filed.

(7) If the secretary of state determines within ninety days of issuance, that a certificate of registration was issued in error, then the secretary may cancel the certificate of registration. The secretary shall promptly notify the registrant of the cancellation in writing. The registrant may petition the superior court of Thurston county for review of the cancellation within sixty days.

Sec. 552. RCW 19.77.130 and 1989 c 72 s 8 are each amended to read as follows:

Any person who shall for himself or herself, or on behalf of any other person, procure the registration of any trademark by the secretary of state under the provisions of this chapter, by knowingly making any false or fraudulent representation or declaration, or by any other fraudulent means, shall be liable to

pay all damages sustained in consequence of such registration, to be recovered by or on behalf of the party injured thereby in any court of competent jurisdiction, together with costs of such action including reasonable attorneys' fees.

Sec. 553. RCW 19.83.020 and 1913 c 134 s 2 are each amended to read as follows:

In order to obtain such license the person applying therefor shall pay to the county treasurer of the county for which the license is sought the sum of six thousand dollars, and upon such payment being made to the county treasurer he or she shall issue his or her receipt therefor which shall be presented to the auditor of the county, who shall upon the presentation thereof issue to the person making such payment a license to furnish or sell, or a license to use, for one year, trading stamps, coupons, tickets, certificates, cards, or other similar devices. Such license shall contain the name of the licensee, the date of its issue, the date of its expiration, the city or town in which and the location at which the same shall be used, and the license shall be used at no place other than that mentioned therein.

Sec. 554. RCW 19.83.040 and 1983 c 40 s 1 are each amended to read as follows:

(1) Nothing in this chapter, or in any other statute or ordinance of this state, shall apply to:

(a) The issuance and direct redemption by a manufacturer of a premium coupon, certificate, or similar device; or prevent him or her from issuing and directly redeeming such premium coupon, certificate, or similar device, which, however, shall not be issued, circulated, or distributed by retail vendors except when contained in or attached to an original package;

(b) The publication by, or distribution through, newspapers or other publications of coupons, certificates, or similar devices; or

(c) A coupon, certificate, or similar device which is within, attached to, or a part of a package or container as packaged by the original manufacturer and which is to be redeemed by another manufacturer, if:

(i) The coupon, certificate, or similar device clearly states the names and addresses of both the issuing manufacturer and the redeeming manufacturer; and

(ii) The issuing manufacturer is responsible for redemption of the coupon, certificate, or similar device if the redeeming manufacturer fails to do so.

(2) The term "manufacturer," as used in this section, means any vendor of an article of merchandise which is put up by or for him or her in an original package and which is sold under his, her, or its trade name, brand, or mark.

Sec. 555. RCW 19.84.030 and 1907 c 253 s 3 are each amended to read as follows:

Any person engaged in any trade, business, or profession who shall distribute, deliver, or present to any person dealing with him or her, in consideration of any article or thing purchased, any stamp, trading stamp, cash discount stamp, check, ticket, coupon, or other similar device, which will entitle the holder thereof, on presentation thereof, either singly or in definite number, to receive, either directly from the person issuing or selling the same, as set forth in RCW 19.84.020, or indirectly through any other person, shall, upon the refusal or failure of the said person issuing or selling same to redeem the same, as set

forth in RCW 19.84.020, be liable to the holder thereof for the face value thereof, and shall upon presentation redeem the same, either in goods, wares, or merchandise, or in cash, good and lawful money of the United States of America, at the option of the holder thereof, and in such case any number of such stamps, trading stamps, cash discount stamps, checks, tickets, coupons, or other similar devices, shall be redeemed as hereinbefore set forth, at the value in cents printed upon the face thereof, and it shall not be necessary for the holder thereof to have any stipulated number of the same before demand for redemption may be made, but they shall be redeemed in any number, when presented, at the value in cents printed upon the face thereof, as hereinbefore provided.

Sec. 556. RCW 19.86.100 and 1970 ex.s. c 26 s 3 are each amended to read as follows:

In the enforcement of this chapter, the attorney general may accept an assurance of discontinuance of any act or practice deemed in violation of this chapter, from any person engaging in, or who has engaged in, such act or practice. Any such assurance shall be in writing and be filed with and subject to the approval of the superior court of the county in which the alleged violator resides or has his or her principal place of business, or in Thurston county.

Such assurance of discontinuance shall not be considered an admission of a violation for any purpose; however, proof of failure to comply with the assurance of discontinuance shall be prima facie evidence of a violation of this chapter.

Sec. 557. RCW 19.86.110 and 1993 c 125 s 1 are each amended to read as follows:

(1) Whenever the attorney general believes that any person (a) may be in possession, custody, or control of any original or copy of any book, record, report, memorandum, paper, communication, tabulation, map, chart, photograph, mechanical transcription, or other tangible document or recording, wherever situate, which he or she believes to be relevant to the subject matter of an investigation of a possible violation of RCW 19.86.020, 19.86.030, 19.86.040, 19.86.050, or 19.86.060, or federal statutes dealing with the same or similar matters that the attorney general is authorized to enforce, or (b) may have knowledge of any information which the attorney general believes relevant to the subject matter of such an investigation, he or she may, prior to the institution of a civil proceeding thereon, execute in writing and cause to be served upon such a person, a civil investigative demand requiring such person to produce such documentary material and permit inspection and copying, to answer in writing written interrogatories, to give oral testimony, or any combination of such demands pertaining to such documentary material or information: PROVIDED, That this section shall not be applicable to criminal prosecutions.

(2) Each such demand shall:

(a) State the statute and section or sections thereof, the alleged violation of which is under investigation, and the general subject matter of the investigation;

(b) If the demand is for the production of documentary material, describe the class or classes of documentary material to be produced thereunder with reasonable specificity so as fairly to indicate the material demanded;

(c) Prescribe a return date within which the documentary material is to be produced, the answers to written interrogatories are to be made, or a date, time, and place at which oral testimony is to be taken; and

(d) Identify the members of the attorney general's staff to whom such documentary material is to be made available for inspection and copying, to whom answers to written interrogatories are to be made, or who are to conduct the examination for oral testimony.

(3) No such demand shall:

(a) Contain any requirement which would be unreasonable or improper if contained in a subpoena duces tecum, a request for answers to written interrogatories, or a request for deposition upon oral examination issued by a court of this state; or

(b) Require the disclosure of any documentary material which would be privileged, or which for any other reason would not be required by a subpoena duces tecum issued by a court of this state.

(4) Service of any such demand may be made by:

(a) Delivering a duly executed copy thereof to the person to be served, or, if such person is not a natural person, to any officer or managing agent of the person to be served; or

(b) Delivering a duly executed copy thereof to the principal place of business in this state of the person to be served; or

(c) Mailing by registered or certified mail a duly executed copy thereof addressed to the person to be served at the principal place of business in this state, or, if said person has no place of business in this state, to his or her principal office or place of business.

(5)(a) Documentary material demanded pursuant to the provisions of this section shall be produced for inspection and copying during normal business hours at the principal office or place of business of the person served, or at such other times and places as may be agreed upon by the person served and the attorney general;

(b) Written interrogatories in a demand served under this section shall be answered in the same manner as provided in the civil rules for superior court;

(c) The oral testimony of any person obtained pursuant to a demand served under this section shall be taken in the same manner as provided in the civil rules for superior court for the taking of depositions. In the course of the deposition, the assistant attorney general conducting the examination may exclude from the place where the examination is held all persons other than the person being examined, the person's counsel, and the officer before whom the testimony is to be taken;

(d) Any person compelled to appear pursuant to a demand for oral testimony under this section may be accompanied by counsel;

(e) The oral testimony of any person obtained pursuant to a demand served under this section shall be taken in the county within which the person resides, is found, or transacts business, or in such other place as may be agreed upon between the person served and the attorney general.

(6) If, after prior court approval, a civil investigative demand specifically prohibits disclosure of the existence or content of the demand, unless otherwise ordered by a superior court for good cause shown, it shall be a misdemeanor for any person if not a bank, trust company, mutual savings bank, credit union, or

savings and loan association organized under the laws of the United States or of any one of the United States to disclose to any other person the existence or content of the demand, except for disclosure to counsel for the recipient of the demand or unless otherwise required by law.

(7) No documentary material, answers to written interrogatories, or transcripts of oral testimony produced pursuant to a demand, or copies thereof, shall, unless otherwise ordered by a superior court for good cause shown, be produced for inspection or copying by, nor shall the contents thereof be disclosed to, other than an authorized employee of the attorney general, without the consent of the person who produced such material, answered written interrogatories, or gave oral testimony, except as otherwise provided in this section: PROVIDED, That:

(a) Under such reasonable terms and conditions as the attorney general shall prescribe, the copies of such documentary material, answers to written interrogatories, or transcripts of oral testimony shall be available for inspection and copying by the person who produced such material, answered written interrogatories, or gave oral testimony, or any duly authorized representative of such person;

(b) The attorney general may provide copies of such documentary material, answers to written interrogatories, or transcripts of oral testimony to an official of this state, the federal government, or other state, who is charged with the enforcement of federal or state antitrust or consumer protection laws, if before the disclosure the receiving official agrees in writing that the information may not be disclosed to anyone other than that official or the official's authorized employees. The material provided under this subsection (7)(b) is subject to the confidentiality restrictions set forth in this section and may not be introduced as evidence in a criminal prosecution; and

(c) The attorney general or any assistant attorney general may use such copies of documentary material, answers to written interrogatories, or transcripts of oral testimony as he or she determines necessary in the enforcement of this chapter, including presentation before any court: PROVIDED, That any such material, answers to written interrogatories, or transcripts of oral testimony which contain trade secrets shall not be presented except with the approval of the court in which action is pending after adequate notice to the person furnishing such material, answers to written interrogatories, or oral testimony.

(8) At any time before the return date specified in the demand, or within twenty days after the demand has been served, whichever period is shorter, a petition to extend the return date for, or to modify or set aside a demand issued pursuant to subsection (1) of this section, stating good cause, may be filed in the superior court for Thurston county, or in such other county where the parties reside. A petition, by the person on whom the demand is served, stating good cause, to require the attorney general or any person to perform any duty imposed by the provisions of this section, and all other petitions in connection with a demand, may be filed in the superior court for Thurston county, or in the county where the parties reside. The court shall have jurisdiction to impose such sanctions as are provided for in the civil rules for superior court with respect to discovery motions.

(9) Whenever any person fails to comply with any civil investigative demand for documentary material, answers to written interrogatories, or oral

testimony duly served upon him or her under this section, or whenever satisfactory copying or reproduction of any such material cannot be done and such person refuses to surrender such material, the attorney general may file, in the trial court of general jurisdiction of the county in which such person resides, is found, or transacts business, and serve upon such person a petition for an order of such court for the enforcement of this section, except that if such person transacts business in more than one county such petition shall be filed in the county in which such person maintains his or her principal place of business, or in such other county as may be agreed upon by the parties to such petition. Whenever any petition is filed in the trial court of general jurisdiction of any county under this section, such court shall have jurisdiction to hear and determine the matter so presented and to enter such order or orders as may be required to carry into effect the provisions of this section, and may impose such sanctions as are provided for in the civil rules for superior court with respect to discovery motions.

Sec. 558. RCW 19.100.050 and 1972 ex.s. c 116 s 4 are each amended to read as follows:

The director may by rule or order require as a condition to the effectiveness of the registration the escrow or impound of franchise fees if he or she finds that such requirement is necessary and appropriate to protect prospective franchisees. At any time after the issuance of such rule or order under this section the franchisor may in writing request the rule or order be rescinded. Upon receipt of such a written request, the matter shall be set down for hearing to commence within fifteen days after such receipt unless the person making the request consents to a later date. After such hearing, which shall be conducted in accordance with the provisions of the administrative procedure act, chapter 34.05 RCW, the director shall determine whether to affirm and to continue or to rescind such order and the director shall have all powers granted under such act.

Sec. 559. RCW 19.100.120 and 1972 ex.s. c 116 s 8 are each amended to read as follows:

The director may issue a stop order denying effectiveness to or suspending or revoking the effectiveness of any registration statement if he or she finds that the order is in the public interest and that:

(1) The registration statement as of its effective date, or as of any earlier date in the case of an order denying effectiveness, is incomplete in any material respect or contains any statement which was in the light of the circumstances under which it was made false or misleading with respect to any material fact;

(2) Any provision of this chapter or any rule or order or condition lawfully imposed under this chapter has been violated in connection with the offering by:

(a) The person filing the registration statement but only if such person is directly or indirectly controlled by or acting for the franchisor; or

(b) The franchisor, any partner, officer, or director of a franchisor, or any person occupying a similar status or performing similar functions or any person directly or indirectly controlling or controlled by the franchisor.

(3) The franchise offering registered or sought to be registered is the subject of a permanent or temporary injunction of any court of competent jurisdiction entered under any federal or state act applicable to the offering but the director may not:

(a) Institute a proceeding against an effective registration statement under this clause more than one year from the date of the injunctive relief thereon unless the injunction is thereafter violated; and

(b) Enter an order under this clause on the basis of an injunction entered under any other state act unless that order or injunction is based on facts that currently constitute a ground for stop order under this section;

(4) A franchisor's enterprise or method of business includes or would include activities which are illegal where performed;

(5) The offering has worked or tended to work a fraud upon purchasers or would so operate;

(6) The applicant has failed to comply with any rule or order of the director issued pursuant to RCW 19.100.050.

(7) The applicant or registrant has failed to pay the proper registration fee but the director may enter only a denial order under this subsection and he or she shall vacate such order when the deficiency has been corrected.

Sec. 560. RCW 19.100.130 and 1971 ex.s. c 252 s 13 are each amended to read as follows:

Upon the entry of a stop order under any part of RCW 19.100.120, the director shall promptly notify the applicant that the order has been entered and that the reasons therefor and that within fifteen days after receipt of a written request, the matter will be set down for hearing. If no hearing is requested within fifteen days and none is ordered by the director, the director shall enter his or her written findings of fact and conclusions of law and the order will remain in effect until it is modified or vacated by the director. If a hearing is requested or ordered, the director after notice of an opportunity for hearings to the issuer and to the applicant or registrant shall enter his or her written findings of fact and conclusions of law and may modify or vacate the order. The director may modify or vacate a stop order if he or she finds that the conditions which prompted his or her entry have changed or that it is otherwise in the public interest to do so.

Sec. 561. RCW 19.100.160 and 1991 c 226 s 9 are each amended to read as follows:

Any person who is engaged or hereafter engaged directly or indirectly in the sale or offer to sell a franchise or a subfranchise or in business dealings concerning a franchise, either in person or in any other form of communication, shall be subject to the provisions of this chapter, shall be amenable to the jurisdiction of the courts of this state and shall be amenable to the service of process under RCW 4.28.180, 4.28.185, and 19.86.160. Every applicant for registration of a franchise under this law (by other than a Washington corporation) shall file with the director in such form as he or she by rule prescribed, an irrevocable consent appointing the director or his or her successor in office to be his or her attorney, to receive service or any lawful process in any noncriminal suit, action, or proceeding against him or her or his or her successors, executor, or administrator which arises under this law or any rule or order hereunder after the consent has been filed, with the same force and validity as if served personally on the person filing consent. A person who has filed such a consent in connection with a previous registration under this law need not file

another. Service may be made by leaving a copy of the process in the office of the director but it is not as effective unless:

(1) The plaintiff, who may be the director, in a suit, action, or proceeding instituted by him or her forthwith sends notice of the service and a copy of the process by registered or certified mail to the defendant or respondent at his or her last address on file with the director; and

(2) The plaintiff's affidavit of compliance with this section is filed in the case on or before the return day of the process, if any, or within such further times the court allows.

Sec. 562. RCW 19.100.180 and 1991 c 226 s 11 are each amended to read as follows:

Without limiting the other provisions of this chapter, the following specific rights and prohibitions shall govern the relation between the franchisor or subfranchisor and the franchisees:

(1) The parties shall deal with each other in good faith.

(2) For the purposes of this chapter and without limiting its general application, it shall be an unfair or deceptive act or practice or an unfair method of competition and therefore unlawful and a violation of this chapter for any person to:

(a) Restrict or inhibit the right of the franchisees to join an association of franchisees.

(b) Require a franchisee to purchase or lease goods or services of the franchisor or from approved sources of supply unless and to the extent that the franchisor satisfies the burden of proving that such restrictive purchasing agreements are reasonably necessary for a lawful purpose justified on business grounds, and do not substantially affect competition: PROVIDED, That this provision shall not apply to the initial inventory of the franchise. In determining whether a requirement to purchase or lease goods or services constitutes an unfair or deceptive act or practice or an unfair method of competition the courts shall be guided by the decisions of the courts of the United States interpreting and applying the anti-trust laws of the United States.

(c) Discriminate between franchisees in the charges offered or made for royalties, goods, services, equipment, rentals, advertising services, or in any other business dealing, unless and to the extent that the franchisor satisfies the burden of proving that any classification of or discrimination between franchisees is: (i) Reasonable, (ii) based on franchises granted at materially different times and such discrimination is reasonably related to such difference in time, or is based on other proper and justifiable distinctions considering the purposes of this chapter, and (iii) is not arbitrary. However, nothing in (c) of this subsection precludes negotiation of the terms and conditions of a franchise at the initiative of the franchisees.

(d) Sell, rent, or offer to sell to a franchisee any product or service for more than a fair and reasonable price.

(e) Obtain money, goods, services, anything of value, or any other benefit from any other person with whom the franchisee does business on account of such business unless such benefit is disclosed to the franchisee.

(f) If the franchise provides that the franchisee has an exclusive territory, which exclusive territory shall be specified in the franchise agreement, for the franchisor or subfranchisor to compete with the franchisee in an exclusive

territory or to grant competitive franchises in the exclusive territory area previously granted to another franchisee.

(g) Require franchisee to assent to a release, assignment, novation, or waiver which would relieve any person from liability imposed by this chapter, except as otherwise permitted by RCW 19.100.220.

(h) Impose on a franchisee by contract, rule, or regulation, whether written or oral, any standard of conduct unless the person so doing can sustain the burden of proving such to be reasonable and necessary.

(i) Refuse to renew a franchise without fairly compensating the franchisee for the fair market value, at the time of expiration of the franchise, of the franchisee's inventory, supplies, equipment, and furnishings purchased from the franchisor, and good will, exclusive of personalized materials which have no value to the franchisor, and inventory, supplies, equipment, and furnishings not reasonably required in the conduct of the franchise business: PROVIDED, That compensation need not be made to a franchisee for good will if (i) the franchisee has been given one year's notice of nonrenewal and (ii) the franchisor agrees in writing not to enforce any covenant which restrains the franchisee from competing with the franchisor: PROVIDED FURTHER, That a franchisor may offset against amounts owed to a franchisee under this subsection any amounts owed by such franchisee to the franchisor.

(j) Terminate a franchise prior to the expiration of its term except for good cause. Good cause shall include, without limitation, the failure of the franchisee to comply with lawful material provisions of the franchise or other agreement between the franchisor and the franchisee and to cure such default after being given written notice thereof and a reasonable opportunity, which in no event need be more than thirty days, to cure such default, or if such default cannot reasonably be cured within thirty days, the failure of the franchisee to initiate within thirty days substantial and continuing action to cure such default: PROVIDED, That after three willful and material breaches of the same term of the franchise agreement occurring within a twelve-month period, for which the franchisee has been given notice and an opportunity to cure as provided in this subsection, the franchisor may terminate the agreement upon any subsequent willful and material breach of the same term within the twelve-month period without providing notice or opportunity to cure: PROVIDED FURTHER, That a franchisor may terminate a franchise without giving prior notice or opportunity to cure a default if the franchisee: (i) Is adjudicated a bankrupt or insolvent; (ii) makes an assignment for the benefit of creditors or similar disposition of the assets of the franchise business; (iii) voluntarily abandons the franchise business; or (iv) is convicted of or pleads guilty or no contest to a charge of violating any law relating to the franchise business. Upon termination for good cause, the franchisor shall purchase from the franchisee at a fair market value at the time of termination, the franchisee's inventory and supplies, exclusive of (i) personalized materials which have no value to the franchisor; (ii) inventory and supplies not reasonably required in the conduct of the franchise business; and (iii), if the franchisee is to retain control of the premises of the franchise business, any inventory and supplies not purchased from the franchisor or on his or her express requirement: PROVIDED, That a franchisor may offset against amounts owed to a franchisee under this subsection any amounts owed by such franchisee to the franchisor.

Sec. 563. RCW 19.100.190 and 1972 ex.s. c 116 s 11 are each amended to read as follows:

(1) The commission of any unfair or deceptive acts or practices or unfair methods of competition prohibited by RCW 19.100.180 as now or hereafter amended shall constitute an unfair or deceptive act or practice under the provisions of chapter 19.86 RCW.

(2) Any person who sells or offers to sell a franchise in violation of this chapter shall be liable to the franchisee or subfranchisor who may sue at law or in equity for damages caused thereby for rescission or other relief as the court may deem appropriate. In the case of a violation of RCW 19.100.170 rescission is not available to the plaintiff if the defendant proves that the plaintiff knew the facts concerning the untruth or omission or that the defendant exercised reasonable care and did not know or if he or she had exercised reasonable care would not have known of the untruth or omission.

(3) The suit authorized under subsection (2) of this section may be brought to recover the actual damages sustained by the plaintiff and the court may in its discretion increase the award of damages to an amount not to exceed three times the actual damages sustained: PROVIDED, That the prevailing party may in the discretion of the court recover the costs of said action including a reasonable attorneys' fee.

(4) Any person who becomes liable to make payments under this section may recover contributions as in cases of contracts from any persons who, if sued separately, would have been liable to make the same payment.

(5) A final judgment, order, or decree heretofore or hereafter rendered against a person in any civil, criminal, or administrative proceedings under the United States anti-trust laws, under the federal trade commission act, under the Washington state consumer protection act, or this chapter shall be regarded as evidence against such persons in any action brought by any party against such person under subsections (1) and (2) of this section as to all matters which said judgment or decree would be an estoppel between the parties thereto.

Sec. 564. RCW 19.100.230 and 1971 ex.s. c 252 s 23 are each amended to read as follows:

The director may refer such evidence as may be available concerning violations of this chapter or any rule or order hereunder to the attorney general or the proper prosecuting attorney who may in his or her discretion with or without such a reference institute the appropriate criminal proceeding under this chapter.

Sec. 565. RCW 19.100.250 and 1972 ex.s. c 116 s 15 are each amended to read as follows:

The director may from time to time make, amend, and rescind such rules, forms, and orders as are necessary to carry out the provisions of this chapter including rules and forms governing applications and reports and defining any terms whether or not used in this chapter insofar as the definitions are consistent with this chapter. The director in his or her discretion may honor requests from interested persons for interpretive opinions.

Sec. 566. RCW 19.105.490 and 1982 c 69 s 20 are each amended to read as follows:

The director may refer such evidence as may be available concerning violations of this chapter or of any rule or order under this chapter to the attorney

general or the proper prosecuting attorney who may in his or her discretion, with or without such a reference, institute the appropriate civil or criminal proceedings under this chapter.

Sec. 567. RCW 19.120.090 and 1986 c 320 s 10 are each amended to read as follows:

(1) Any person who sells or offers to sell a motor fuel franchise in violation of this chapter shall be liable to the motor fuel retailer or motor fuel refiner-supplier who may sue at law or in equity for damages caused thereby for rescission or other relief as the court may deem appropriate. In the case of a violation of RCW 19.120.070 rescission is not available to the plaintiff if the defendant proves that the plaintiff knew the facts concerning the untruth or omission or that the defendant exercised reasonable care and did not know or if he or she had exercised reasonable care would not have known of the untruth or omission.

(2) The suit authorized under subsection (1) of this section may be brought to recover the actual damages sustained by the plaintiff: PROVIDED, That the prevailing party may in the discretion of the court recover the costs of said action including a reasonable attorneys' fee.

(3) Any person who becomes liable to make payments under this section may recover contributions as in cases of contracts from any persons who, if sued separately, would have been liable to make the same payment.

(4) A final judgment, order, or decree heretofore or hereafter rendered against a person in any civil, criminal, or administrative proceedings under the United States anti-trust laws, under the federal trade commission act, or this chapter shall be regarded as evidence against such persons in any action brought by any party against such person under subsection (1) of this section as to all matters which said judgment or decree would be an estoppel between the parties thereto.

Sec. 568. RCW 20.01.010 and 2004 c 212 s 1 are each amended to read as follows:

As used in this title the terms defined in this section have the meanings indicated unless the context clearly requires otherwise.

(1) "Director" means the director of agriculture or a duly authorized representative.

(2) "Person" means any natural person, firm, partnership, exchange, association, trustee, receiver, corporation, and any member, officer, or employee thereof or assignee for the benefit of creditors.

(3) "Agricultural product" means any unprocessed horticultural, vermicultural and its by-products, viticultural, berry, poultry, poultry product, grain, bee, or other agricultural products. "Agricultural product" also includes (a) mint or mint oil processed by or for the producer thereof, hay and straw baled or prepared for market in any manner or form and livestock; and (b) agricultural seed, flower seed, vegetable seed, other crop seed, and seeds, as defined in chapter 15.49 RCW, however, any disputes regarding responsibilities for seed clean out are governed exclusively by contracts between the producers of the seed and conditioners or processors of the seed.

(4) "Producer" means any person engaged in the business of growing or producing any agricultural product, whether as the owner of the products, or producing the products for others holding the title thereof.

(5) "Consignor" means any producer, person, or his or her agent who sells, ships, or delivers to any commission merchant, dealer, cash buyer, or agent, any agricultural product for processing, handling, sale, or resale.

(6) "Commission merchant" means any person who receives on consignment for sale or processing and sale from the consignor thereof any agricultural product for sale on commission on behalf of the consignor, or who accepts any farm product in trust from the consignor thereof for the purpose of resale, or who sells or offers for sale on commission any agricultural product, or who in any way handles for the account of or as an agent of the consignor thereof, any agricultural product.

(7) "Dealer" means any person other than a cash buyer, as defined in subsection (10) of this section, who solicits, contracts for, or obtains from the consignor thereof for reselling or processing, title, possession, or control of any agricultural product, or who buys or agrees to buy any agricultural product from the consignor thereof for sale or processing and includes any person, other than one who acts solely as a producer, who retains title in an agricultural product and delivers it to a producer for further production or increase. For the purposes of this chapter, the term dealer includes any person who purchases livestock on behalf of and for the account of another, or who purchases cattle in another state or country and imports these cattle into this state for resale.

(8) "Limited dealer" means any person who buys, agrees to buy, or pays for the production or increase of any agricultural product by paying to the consignor at the time of obtaining possession or control of any agricultural product the full agreed price of the agricultural product and who operates under the alternative bonding provision in RCW 20.01.211.

(9) "Broker" means any person other than a commission merchant, dealer, or cash buyer who negotiates the purchase or sale of any agricultural product, but no broker may handle the agricultural products involved or proceeds of the sale.

(10) "Cash buyer" means any person other than a commission merchant, dealer, or broker, who obtains from the consignor thereof for the purpose of resale or processing, title, possession, or control of any agricultural product or who contracts for the title, possession, or control of any agricultural product, or who buys or agrees to buy for resale any agricultural product by paying to the consignor at the time of obtaining possession or control of any agricultural product the full agreed price of the agricultural product, in coin or currency, lawful money of the United States. However, a cashier's check, certified check, credit card, or bankdraft may be used for the payment. For the purposes of this subsection, "agricultural product," does not include hay, grain, straw, or livestock.

(11) "Agent" means any person who, on behalf of any commission merchant, dealer, broker, or cash buyer, acts as liaison between a consignor and a principal, or receives, contracts for, or solicits any agricultural product from the consignor thereof or who negotiates the consignment or purchase of any agricultural product on behalf of any commission merchant, dealer, broker, or cash buyer and who transacts all or a portion of that business at any location

other than at the principal place of business of his or her employer. With the exception of an agent for a commission merchant or dealer handling horticultural products, an agent may operate only in the name of one principal and only to the account of that principal.

(12) "Retail merchant" means any person operating from a bona fide or established place of business selling agricultural products twelve months of each year.

(13) "Fixed or established place of business" for the purpose of this chapter means any permanent warehouse, building, or structure, at which necessary and appropriate equipment and fixtures are maintained for properly handling those agricultural products generally dealt in, and at which supplies of the agricultural products being usually transported are stored, offered for sale, sold, delivered, and generally dealt with in quantities reasonably adequate for and usually carried for the requirements of such a business, and that is recognized as a permanent business at such place, and carried on as such in good faith and not for the purpose of evading this chapter, and where specifically designated personnel are available to handle transactions concerning those agricultural products generally dealt in, which personnel are available during designated and appropriate hours to that business, and shall not mean a residence, barn, garage, tent, temporary stand or other temporary quarters, any railway car, or permanent quarters occupied pursuant to any temporary arrangement.

(14) "Processor" means any person, firm, company, or other organization that purchases agricultural crops from a consignor and that cans, freezes, dries, dehydrates, cooks, presses, powders, or otherwise processes those crops in any manner whatsoever for eventual resale.

(15) "Pooling contract" means any written agreement whereby a consignor delivers a horticultural product to a commission merchant under terms whereby the commission merchant may commingle the consignor's horticultural products for sale with others similarly agreeing, which must include all of the following:

(a) A delivery receipt for the consignor that indicates the variety of horticultural product delivered, the number of containers, or the weight and tare thereof;

(b) Horticultural products received for handling and sale in the fresh market shall be accounted for to the consignor with individual pack-out records that shall include variety, grade, size, and date of delivery. Individual daily packing summaries shall be available within forty-eight hours after packing occurs. However, platform inspection shall be acceptable by mutual contract agreement on small deliveries to determine variety, grade, size, and date of delivery;

(c) Terms under which the commission merchant may use his or her judgment in regard to the sale of the pooled horticultural product;

(d) The charges to be paid by the consignor as filed with the state of Washington;

(e) A provision that the consignor shall be paid for his or her pool contribution when the pool is in the process of being marketed in direct proportion, not less than eighty percent of his or her interest less expenses directly incurred, prior liens, and other advances on the grower's crop unless otherwise mutually agreed upon between grower and commission merchant.

(16) "Date of sale" means the date agricultural products are delivered to the person buying the products.

(17) "Conditioner" means any person, firm, company, or other organization that receives seeds from a consignor for drying or cleaning.

(18) "Seed bailment contract" means any contract meeting the requirements of chapter 15.48 RCW.

(19) "Proprietary seed" means any seed that is protected under the Federal Plant Variety Protection Act.

(20) "Licensed public weighmaster" means any person, licensed under the provisions of chapter 15.80 RCW, who weighs, measures, or counts any commodity or thing and issues therefor a signed certified statement, ticket, or memorandum of weight, measure, or count upon which the purchase or sale of any commodity or upon which the basic charge of payment for services rendered is based.

(21) "Certified weight" means any signed certified statement or memorandum of weight, measure or count issued by a licensed public weighmaster in accordance with the provisions of chapter 15.80 RCW.

(22) "Licensee" means any person or business licensed under this chapter as a commission merchant, dealer, limited dealer, broker, cash buyer, or agent.

(23) "Seed" means agricultural seed, flower seed, vegetable seed, other crop seed, and seeds, as defined in chapter 15.49 RCW.

(24) "Seed clean out" means the process of removing impurities from raw seed product.

Sec. 569. RCW 20.01.020 and 1959 c 139 s 2 are each amended to read as follows:

The director, but not his or her duly authorized representative, may adopt such rules and regulations as are necessary to carry out the purpose of this chapter. It shall be the duty of the director to enforce and carry out the provisions of this chapter, rules and regulations adopted hereunder. No person shall interfere with the director when he or she is performing or carrying out duties imposed on him or her by this chapter, rules and regulations adopted hereunder.

Sec. 570. RCW 20.01.030 and 1993 c 104 s 1 are each amended to read as follows:

This chapter does not apply to:

(1) Any cooperative marketing associations or federations incorporated under, or whose articles of incorporation and bylaws are equivalent to, the requirements of chapter 23.86 RCW, except as to that portion of the activities of the association or federation that involve the handling or dealing in the agricultural products of nonmembers of the organization: PROVIDED, That the associations or federations may purchase up to fifteen percent of their gross from nonmembers for the purpose of filling orders: PROVIDED FURTHER, That if the cooperative or association acts as a processor as defined in RCW 20.01.500(2) and markets the processed agricultural crops on behalf of the grower or its own behalf, the association or federation is subject to the provisions of RCW 20.01.500 through 20.01.560 and the license provision of this chapter excluding bonding provisions: PROVIDED FURTHER, That none of the foregoing exemptions in this subsection apply to any such cooperative or federation dealing in or handling grain in any manner, and not licensed under the provisions of chapter 22.09 RCW;

(2) Any person who sells exclusively his or her own agricultural products as the producer thereof;

(3) Any public livestock market operating under a bond required by law or a bond required by the United States to secure the performance of the public livestock market's obligation. However, any such market operating as a livestock dealer or order buyer, or both, is subject to all provisions of this chapter except for the payment of the license fee required in RCW 20.01.040;

(4) Any retail merchant having a bona fide fixed or permanent place of business in this state, but only for the retail merchant's retail business conducted at such fixed or established place of business;

(5) Any person buying farm products for his or her own use or consumption;

(6) Any (~~warehouseman~~) warehouse operator or grain dealer licensed under the state grain warehouse act, chapter 22.09 RCW, with respect to his or her handling of any agricultural product as defined under that chapter;

(7) Any nurseryman who is required to be licensed under the horticultural laws of the state with respect to his or her operations as such licensee;

(8) Any person licensed under the now existing dairy laws of the state with respect to his or her operations as such licensee;

(9) Any producer who purchases less than fifteen percent of his or her volume to complete orders;

(10) Any person, association, or corporation regulated under chapter 67.16 RCW and the rules adopted thereunder while performing acts regulated by that chapter and the rules adopted thereunder;

(11) Any domestic winery, as defined in RCW 66.04.010, licensed under Title 66 RCW, with respect to its transactions involving agricultural products used by the domestic winery in making wine.

Sec. 571. RCW 20.01.100 and 1959 c 139 s 10 are each amended to read as follows:

The director, upon his or her satisfaction that the applicant has met the requirements of this chapter and rules and regulations adopted hereunder, shall issue a license entitling the applicant to carry on the business described on the application. Such license shall expire on December 31st following the issuance of the license, provided that it has not been revoked or suspended prior thereto, by the director, after due notice and hearing. Fraud and misrepresentation in making an application for a license shall be cause for refusal to grant a license or revocation of license granted pursuant to a fraudulent application after due notice and hearing.

Sec. 572. RCW 20.01.110 and 1959 c 139 s 11 are each amended to read as follows:

The director may publish a list, as often as he or she deems necessary, of all persons licensed under this chapter together with all the necessary rules and regulations concerning the enforcement of this chapter. Each person licensed under (~~the~~) the provisions of this chapter shall post his or her license or a copy thereof in his or her place or places of business in plain view of the public.

Sec. 573. RCW 20.01.120 and 1959 c 139 s 12 are each amended to read as follows:

The licensee shall prominently display license plates issued by the director on the front and back of any vehicle used by the licensee to transport upon public

highways unprocessed agricultural products which he or she has not produced as a producer of such agricultural products. If the licensee operates more than one vehicle to transport unprocessed agricultural products on public highways he or she shall apply to the director for license plates for each such additional vehicle. Such additional license plates shall be issued to the licensee at the actual cost to the department for such license plates and necessary handling charges. Such license plates are not transferable to any other person and may be used only on the licensee's vehicle or vehicles. The display of such license plates on the vehicle or vehicles of a person whose license has been revoked, or the failure to surrender such license plates forthwith to the department after such revocation, shall be deemed a violation of this chapter.

Sec. 574. RCW 20.01.150 and 1959 c 139 s 15 are each amended to read as follows:

The director is authorized to deny, suspend, or revoke a license or issue conditional or probationary orders in the manner prescribed herein, in any case in which he or she finds that there has been a failure and/or refusal to comply with the requirements of this chapter, rules or regulations adopted hereunder.

Sec. 575. RCW 20.01.170 and 1963 c 232 s 2 are each amended to read as follows:

The director may issue subpoenas to compel the attendance of witnesses, and/or the production of books or documents, anywhere in the state. The licensee or applicant shall have opportunity to make his or her defense, and may have such subpoenas issued as he or she desires. Subpoenas shall be served in the same manner as in civil cases in the superior court. Witnesses shall testify under oath which may be administered by the director. Testimony shall be recorded and may be taken by deposition under such rules as the director may prescribe. Witnesses, except complaining witnesses, shall be entitled to fees for attendance and travel, as provided for in chapter 2.40 RCW, as enacted or hereafter amended.

Sec. 576. RCW 20.01.180 and 1959 c 139 s 18 are each amended to read as follows:

The director shall hear and determine the charges, make findings and conclusions upon the evidence produced, and file them in his or her office, together with a record of all of the evidence, and serve upon the accused a copy of such findings and conclusions.

Sec. 577. RCW 20.01.190 and 1959 c 139 s 19 are each amended to read as follows:

The revocation, suspension or denial of a license, or the issuance of conditional or probationary orders, shall be in writing signed by the director, stating the grounds upon which such order is based and the aggrieved person shall have the right to appeal from such order within fifteen days after a copy thereof is served upon him or her, to the superior court of Thurston county or the county in which the hearing was held. A copy of such findings shall be mailed to the licensee's surety. In such appeal the entire record shall be certified by the director to the court, and the review on appeal shall be confined to the evidence adduced at the hearing before the director.

Sec. 578. RCW 20.01.212 and 1991 c 109 s 19 are each amended to read as follows:

If an applicant for a commission merchant's and/or dealer's license is bonded as a livestock dealer or packer under the provisions of the packers and stockyards act of 1921 (7 U.S.C. 181), as amended, on June 13, 1963, and acts as a commission merchant, packer, and/or a dealer only in livestock as defined in said packers and stockyards act of 1921 (7 U.S.C. 181), the director may accept such bond in lieu of the bond required in RCW 20.01.210 as good and sufficient and issue the applicant a license limited solely to dealing in livestock. A dealer buying and selling livestock who has furnished a bond as required by the packers and stockyards administration to cover acting as order buyer as well as dealer may also act as an order buyer for others under the provisions of this chapter, and all persons who act as order buyers of livestock shall license under this chapter as a livestock dealer: PROVIDED, That the applicant shall furnish the director with a bond approved by the United States secretary of agriculture. Such bond shall be in a minimum amount of ten thousand dollars. It shall be a violation for the licensee to act as a commission merchant and/or dealer in any other agricultural commodity without first having notified the director and furnishing him or her with a bond as required under the provisions of RCW 20.01.210, and failure to furnish the director with such bond shall be cause for the immediate suspension of the licensee's license, and revocation subject to a hearing.

Sec. 579. RCW 20.01.240 and 2003 c 395 s 5 are each amended to read as follows:

(1) Any consignor who believes he or she has a valid claim against the bond of a commission merchant or dealer shall file a claim with the director.

(2) In the case of a claim against the bond of a commission merchant or dealer in hay or straw, default occurs when the licensee fails to make payment within thirty days of the date the licensee took possession of the hay or straw or at a date agreed to by both the consignor and commission merchant or dealer in written contract. In the case of a claim against a limited dealer in hay or straw, default occurs when the licensee fails to make payment upon taking possession of the hay or straw.

(3) Upon the filing of a claim under this subsection against any commission merchant or dealer handling any agricultural product, the director may, after investigation, proceed to ascertain the names and addresses of all consignor creditors of such commission merchant and dealer, together with the amounts due and owing to them by such commission merchant and dealer, and shall request all such consignor creditors to file a verified statement of their respective claims with the director. Such request shall be addressed to each known consignor creditor at his or her last known address.

(4) For claims against a bond that have been filed by consignors prior to the sixty-day deadline established in RCW 20.01.250, the director shall investigate the claims and, within thirty days of verifying the claims, demand payment for the valid claims by the licensee's surety. The director shall distribute the proceeds of the valid bond claims to the claimants on a pro rata basis within the limits of the claims and the availability of the bond proceeds. If a claim is filed after the sixty-day deadline established in RCW 20.01.250, the director may investigate the claim and may demand payment for a valid claim. The director shall distribute the proceeds of any such payment made by the surety to the claimant on a first-to-file, first-to-be-paid basis within the limits of the claim and the availability of any bond proceeds remaining after the pro rata distribution.

All distributions made by the director under this subsection are subject to RCW 20.01.260.

Sec. 580. RCW 20.01.250 and 1959 c 139 s 25 are each amended to read as follows:

If a consignor creditor so addressed fails, refuses or neglects to file in the office of the director his or her verified claim as requested by the director within sixty days from the date of such request, the director shall thereupon be relieved of further duty or action hereunder on behalf of said consignor creditor.

Sec. 581. RCW 20.01.260 and 1959 c 139 s 26 are each amended to read as follows:

Where by reason of the absence of records, or other circumstances making it impossible or unreasonable for the director to ascertain the names and addresses of all said consignor creditors, the director after exerting due diligence and making reasonable inquiry to secure said information from all reasonable and available sources, may make demand on said bond on the basis of information then in his or her possession, and thereafter shall not be liable or responsible for claims or the handling of claims which may subsequently appear or be discovered.

Sec. 582. RCW 20.01.280 and 1959 c 139 s 28 are each amended to read as follows:

Upon the refusal of the surety company to pay the demand the director may thereupon bring an action on the bond in behalf of said consignor creditors. Upon any action being commenced on said bond the director may require the filing of a new bond and immediately upon the recovery in any action on such bond such commission merchant and/or dealer shall file a new bond and upon failure to file the same within ten days in either case such failure shall constitute grounds for the suspension or revocation of his or her license.

Sec. 583. RCW 20.01.310 and 1959 c 139 s 31 are each amended to read as follows:

The director or his or her authorized agents are empowered to administer oaths of verification on said complaints. He or she shall have full authority to administer oaths and take testimony thereunder, to issue subpoenas in the manner prescribed in RCW 20.01.170 requiring attendance of witnesses before him or her, together with all books, memoranda, papers, and other documents, articles, or instruments; to compel the disclosure by such witnesses of all facts known to them relative to the matters under investigation, and all parties disobeying the orders or subpoenas of said director shall be guilty of contempt and shall be certified to the superior court of the state for punishment for such contempt. Copies of records, audits and reports of audits, inspection certificates, certified reports, findings, and all papers on file in the office of the director shall be prima facie evidence of the matters therein contained, and may be admitted into evidence in any hearing provided in this chapter.

Sec. 584. RCW 20.01.330 and 1989 c 354 s 40 are each amended to read as follows:

The director may refuse to grant a license or renew a license and may revoke or suspend a license or issue a conditional or probationary order if he or she is satisfied after a hearing, as herein provided, of the existence of any of the following facts, which are hereby declared to be a violation of this chapter:

(1) That fraudulent charges or returns have been made by the applicant, or licensee, for the handling, sale or storage of, or for rendering of any service in connection with the handling, sale or storage of any agricultural product.

(2) That the applicant, or licensee, has failed or refused to render a true account of sales, or to make a settlement thereon, or to pay for agricultural products received, within the time and in the manner required by this chapter.

(3) That the applicant, or licensee, has made any false statement as to the condition, quality, or quantity of agricultural products received, handled, sold, or stored by him or her.

(4) That the applicant, or licensee, directly or indirectly has purchased for his or her own account agricultural products received by him or her upon consignment without prior authority from the consignor together with the price fixed by consignor or without promptly notifying the consignor of such purchase. This shall not prevent any commission merchant from taking to account of sales, in order to close the day's business, miscellaneous lots or parcels of agricultural products remaining unsold, if such commission merchant shall forthwith enter such transaction on his or her account of sales.

(5) That the applicant, or licensee, has intentionally made any false or misleading statement as to the conditions of the market for any agricultural products.

(6) That the applicant, or licensee, has made fictitious sales or has been guilty of collusion to defraud the consignor.

(7) That a commission merchant to whom any consignment is made has reconsigned such consignment to another commission merchant and has received, collected, or charged by such means more than one commission for making the sale thereof, for the consignor, unless by written consent of such consignor.

(8) That the licensee was guilty of fraud or deception in the procurement of such license.

(9) That the licensee or applicant has failed or refused to file with the director a schedule of his or her charges for services in connection with agricultural products handled on account of or as an agent of another, or that the applicant, or licensee, has indulged in any unfair practice.

(10) That the licensee has rejected, without reasonable cause, or has failed or refused to accept, without reasonable cause, any agricultural product bought or contracted to be bought from a consignor by such licensee; or failed or refused, without reasonable cause, to furnish or provide boxes or other containers, or hauling, harvesting, or any other service contracted to be done by licensee in connection with the acceptance, harvesting, or other handling of said agricultural products bought or handled or contracted to be bought or handled; or has used any other device to avoid acceptance or unreasonably to defer acceptance of agricultural products bought or handled or contracted to be bought or handled.

(11) That the licensee has otherwise violated any provision of this chapter and/or rules and regulations adopted hereunder.

(12) That the licensee has knowingly employed an agent, as defined in this chapter, without causing said agent to comply with the licensing requirements of this chapter applicable to agents.

(13) That the applicant or licensee has, in the handling of any agricultural products, been guilty of fraud, deceit, or negligence.

(14) That the licensee has failed or refused, upon demand, to permit the director or his or her agents to make the investigations, examination, or audits, as provided in this chapter, or that the licensee has removed or sequestered any books, records, or papers necessary to any such investigations, examination, or audits, or has otherwise obstructed the same.

(15) That the licensee, without reasonable cause, has failed or refused to execute or carry out a lawful contract with a consignor.

(16) That the licensee has failed or refused to keep and maintain the records as required by this chapter and/or rules and regulations adopted hereunder.

(17) That the licensee has attempted payment by a check the licensee knows not to be backed by sufficient funds to cover such check.

(18) That the licensee has been guilty of fraud or deception in his or her dealings with purchasers including misrepresentation of goods as to grade, quality, weights, quantity, or any other essential fact in connection therewith.

(19) That the licensee has permitted a person to in fact operate his or her own separate business under cover of the licensee's license and bond.

(20) That a commission merchant or dealer has failed to furnish additional bond coverage within fifteen days of when it was requested in writing by the director.

(21) That the licensee has discriminated in the licensee's dealings with consignors on the basis of race, creed, color, national origin, sex, or the presence of any sensory, mental, or physical handicap.

Sec. 585. RCW 20.01.340 and 1959 c 139 s 34 are each amended to read as follows:

Previous violation by the applicant or licensee, or by any person connected with him or her, of any of the provisions of this chapter and/or rules and regulations adopted hereunder, shall be good and sufficient ground for denial, suspension or revocation of a license, or the issuance of a conditional or probationary order.

Sec. 586. RCW 20.01.350 and 1959 c 139 s 35 are each amended to read as follows:

The director, after hearing or investigation, may refuse to grant a license or renewal thereof and may revoke or suspend any license or issue a conditional or probationary order, as the case may require, when he or she is satisfied that the licensee has executory or executed contracts for the purchase of agricultural products, or for the handling of agricultural products on consignment.

In such cases, if the director is satisfied that to permit the dealer or commission merchant to continue to purchase or to receive further shipments or deliveries of agricultural products would be likely to cause serious and irreparable loss to said consignor-creditors, or to consignors with whom the said dealer or commission merchant has said contracts, then the director within his or her discretion may thereupon and forthwith shorten the time herein provided for hearing upon an order to show cause why the license of said dealer or commission merchant should not be forthwith suspended, or revoked: PROVIDED, That the time of notice of said hearing, shall in no event be less than twenty-four hours, and the director shall, within that period, call a hearing

at which the dealer or commission merchant proceeded against shall be ordered to show cause why the license should not be suspended, or revoked, or continued under such conditions and provisions, if any, as the director may consider just and proper and for the protection of the best interests of the producer-creditors involved. Said hearing, in the case of such emergency, may be called upon written notice, said notice to be served personally or by mail on the dealer or commission merchant involved, and may be held at the nearest office of the director or at such place as may be most convenient at the discretion of the director, for the attendance of all parties involved.

Sec. 587. RCW 20.01.390 and 1982 c 20 s 2 are each amended to read as follows:

(1) Every dealer must pay for agricultural products, except livestock, delivered to him or her at the time and in the manner specified in the contract with the producer, but if no time is set by such contract, or at the time of said delivery, then within thirty days from the delivery or taking possession of such agricultural products.

(2) Every dealer must pay for livestock delivered to him or her at the time and in the manner specified in the contract, but if no time is set by such contract, or at the time of said delivery, then within seven days from the delivery or taking possession of such livestock. Where payment for livestock is made by mail, payment is timely if mailed within seven days of the date of sale.

Sec. 588. RCW 20.01.440 and 1991 c 109 s 23 are each amended to read as follows:

Every commission merchant shall retain a copy of all records covering each transaction for a period of three years from the date thereof, which copy shall at all times be available for, and open to, the confidential inspection of the director and the consignor, or authorized representative of either. In the event of any dispute or disagreement between a consignor and a commission merchant arising at the time of delivery as to condition, quality, grade, pack, quantity, or weight of any lot, shipment, or consignment of agricultural products, the department shall furnish, upon the payment of a reasonable fee therefor by the requesting party, a certificate establishing the condition, quality, grade, pack, quantity, or weight of such lot, shipment, or consignment. Such certificate shall be prima facie evidence in all courts of this state as to the recitals thereof. The burden of proof shall be upon the commission merchant to prove the correctness of his or her accounting as to any transaction which may be questioned.

Sec. 589. RCW 20.01.510 and 1971 ex.s. c 182 s 16 are each amended to read as follows:

In order to carry out the purposes of this 1971 amendatory act, the director may require a processor to annually complete a form prescribed by the director, which, when completed, will show the maximum processing capacity of each plant operated by the processor in the state of Washington. Such completed form shall be returned to the director by a date prescribed by him or her.

***Sec. 590.** *RCW 20.01.520 and 1971 ex.s. c 182 s 17 are each amended to read as follows:*

By a date or dates prescribed prior to planting time by the director, the director, in order to carry out the purposes of this 1971 amendatory act, may require a processor to have filed with him or her:

(1) A copy of each contract he or she has entered into with a grower for the purchase of acres of crops and/or quantity of crops to be harvested during the present or next growing season; and

(2) A notice of each oral commitment he or she has given to growers for the purchase of acres of crops and/or quantity of crops to be harvested during the present or next growing season, and such notice shall disclose the amount of acres and/or quantity to which the processor has committed himself or herself.

*Sec. 590 was vetoed. See message at end of chapter.

Sec. 591. RCW 20.01.530 and 1971 ex.s. c 182 s 18 are each amended to read as follows:

Any grower may file with the director on a form prescribed by him or her the acres of crops and/or quantity of crops to be harvested during the present or next growing season, which he or she understands a processor has orally committed himself or herself to purchase.

Sec. 592. RCW 20.01.540 and 1971 ex.s. c 182 s 19 are each amended to read as follows:

Any processor who, from the information filed with the director, appears to or has committed himself or herself either orally or in writing to purchase more crops than his or her plants are capable of processing shall be in violation of this chapter and his or her dealer's license subject to denial, suspension, or revocation as provided for in RCW 20.01.330.

Sec. 593. RCW 20.01.550 and 1977 ex.s. c 304 s 15 are each amended to read as follows:

Any processor who discriminates between growers with whom he or she contracts as to price, conditions for production, harvesting, and delivery of crops which is not supportable by economic cost factors shall be in violation of this chapter and the director may subsequent to a hearing deny, suspend, or revoke such processor's license to act as a dealer.

Sec. 594. RCW 21.20.005 and 2002 c 65 s 1 are each amended to read as follows:

The definitions set forth in this section shall apply throughout this chapter, unless the context otherwise requires:

(1) "Director" means the director of financial institutions of this state.

(2) "Salesperson" means any individual other than a broker-dealer who represents a broker-dealer or issuer in effecting or attempting to effect sales of securities. "Salesperson" does not include an individual who represents an issuer in (a) effecting a transaction in a security exempted by RCW 21.20.310 (1), (2), (3), (4), (9), (10), (11), (12), or (13), (b) effecting transactions exempted by RCW 21.20.320 unless otherwise expressly required by the terms of the exemption, or (c) effecting transactions with existing employees, partners, or directors of the issuer if no commission or other remuneration is paid or given directly or indirectly for soliciting any person in this state.

(3) "Broker-dealer" means any person engaged in the business of effecting transactions in securities for the account of others or for that person's own account. "Broker-dealer" does not include (a) a salesperson, issuer, bank, savings institution, or trust company, (b) a person who has no place of business in this state if the person effects transactions in this state exclusively with or

through the issuers of the securities involved in the transactions, other broker-dealers, or banks, savings institutions, trust companies, insurance companies, investment companies as defined in the investment company act of 1940, pension or profit-sharing trusts, or other financial institutions or institutional buyers, whether acting for themselves or as trustees, or (c) a person who has no place of business in this state if during any period of twelve consecutive months that person does not direct more than fifteen offers to sell or to buy into or make more than five sales in this state in any manner to persons other than those specified in (b) of this subsection.

(4) "Guaranteed" means guaranteed as to payment of principal, interest, or dividends.

(5) "Full business day" means all calendar days, excluding therefrom Saturdays, Sundays, and all legal holidays, as defined by statute.

(6) "Investment adviser" means any person who, for compensation, engages in the business of advising others, either directly or through publications or writings, as to the value of securities or as to the advisability of investing in, purchasing, or selling securities, or who, for compensation and as a part of a regular business, issues or promulgates analyses or reports concerning securities. "Investment adviser" also includes financial planners and other persons who, as an integral component of other financially related services, (a) provide the foregoing investment advisory services to others for compensation as part of a business or (b) hold themselves out as providing the foregoing investment advisory services to others for compensation. Investment adviser shall also include any person who holds himself or herself out as a financial planner.

"Investment adviser" does not include (a) a bank, savings institution, or trust company, (b) a lawyer, accountant, certified public accountant licensed under chapter 18.04 RCW, engineer, or teacher whose performance of these services is solely incidental to the practice of his or her profession, (c) a broker-dealer or its salesperson whose performance of these services is solely incidental to the conduct of its business as a broker-dealer and who receives no special compensation for them, (d) a publisher of any bona fide newspaper, news magazine, news column, newsletter, or business or financial publication or service, whether communicated in hard copy form, by electronic means, or otherwise, that does not consist of the rendering of advice on the basis of the specific investment situation of each client, (e) a radio or television station, (f) a person whose advice, analyses, or reports relate only to securities exempted by RCW 21.20.310(1), (g) an investment adviser representative, or (h) such other persons not within the intent of this paragraph as the director may by rule or order designate.

(7) "Issuer" means any person who issues or proposes to issue any security, except that with respect to certificates of deposit, voting trust certificates, or collateral-trust certificates, or with respect to certificates of interest or shares in an unincorporated investment trust not having a board of directors (or persons performing similar functions) or of the fixed, restricted management, or unit type; the term "issuer" means the person or persons performing the acts and assuming the duties of depositor or manager pursuant to the provisions of the trust or other agreement or instrument under which the security is issued.

(8) "Nonissuer" means not directly or indirectly for the benefit of the issuer.

(9) "Person" means an individual, a corporation, a partnership, a limited liability company, a limited liability partnership, an association, a joint-stock company, a trust where the interest of the beneficiaries are evidenced by a security, an unincorporated organization, a government, or a political subdivision of a government.

(10) "Sale" or "sell" includes every contract of sale of, contract to sell, or disposition of, a security or interest in a security for value. "Offer" or "offer to sell" includes every attempt or offer to dispose of, or solicitation of an offer to buy, a security or interest in a security for value.

Any security given or delivered with, or as a bonus on account of, any purchase of securities or any other thing is considered to constitute part of the subject of the purchase and to have been offered and sold for value. A purported gift of assessable stock is considered to involve an offer and sale. Every sale or offer of a warrant or right to purchase or subscribe to another security of the same or another issuer, as well as every sale or offer of a security which gives the holder a present or future right or privilege to convert into another security of the same or another issuer, is considered to include an offer of the other security.

(11) "Securities act of 1933," "securities exchange act of 1934," "public utility holding company act of 1935," "investment company act of 1940," and "investment advisers act of 1940" means the federal statutes of those names as amended before or after June 10, 1959.

(12)(a) "Security" means any note; stock; treasury stock; bond; debenture; evidence of indebtedness; certificate of interest or participation in any profit-sharing agreement; collateral-trust certificate; preorganization certificate or subscription; transferable share; investment contract; investment of money or other consideration in the risk capital of a venture with the expectation of some valuable benefit to the investor where the investor does not receive the right to exercise practical and actual control over the managerial decisions of the venture; voting-trust certificate; certificate of deposit for a security; fractional undivided interest in an oil, gas, or mineral lease or in payments out of production under a lease, right, or royalty; charitable gift annuity; any put, call, straddle, option, or privilege on any security, certificate of deposit, or group or index of securities, including any interest therein or based on the value thereof; or any put, call, straddle, option, or privilege entered into on a national securities exchange relating to foreign currency; or, in general, any interest or instrument commonly known as a "security," or any certificate of interest or participation in, temporary or interim certificate for, receipt for, guarantee of, or warrant or right to subscribe to or purchase, any security under this subsection. This subsection applies whether or not the security is evidenced by a written document.

(b) "Security" does not include: (i) Any insurance or endowment policy or annuity contract under which an insurance company promises to pay a fixed sum of money either in a lump sum or periodically for life or some other specified period; or (ii) an interest in a contributory or noncontributory pension or welfare plan subject to the employee retirement income security act of 1974.

(13) "State" means any state, territory, or possession of the United States, as well as the District of Columbia and Puerto Rico.

(14) "Investment adviser representative" means any partner, officer, director, or a person occupying similar status or performing similar functions, or

other individual, who is employed by or associated with an investment adviser, and who does any of the following:

- (a) Makes any recommendations or otherwise renders advice regarding securities;
- (b) Manages accounts or portfolios of clients;
- (c) Determines which recommendation or advice regarding securities should be given;
- (d) Solicits, offers, or negotiates for the sale of or sells investment advisory services; or
- (e) Supervises employees who perform any of the functions under (a) through (d) of this subsection.

(15) "Relatives," as used in RCW 21.20.310(11) includes:

- (a) A member's spouse;
- (b) Parents of the member or the member's spouse;
- (c) Grandparents of the member or the member's spouse;
- (d) Natural or adopted children of the member or the member's spouse;
- (e) Aunts and uncles of the member or the member's spouse; and
- (f) First cousins of the member or the member's spouse.

(16) "Customer" means a person other than a broker-dealer or investment adviser.

(17) "Federal covered security" means any security defined as a covered security in the securities act of 1933.

(18) "Federal covered adviser" means any person registered as an investment adviser under section 203 of the investment advisers act of 1940.

Sec. 595. RCW 21.20.050 and 1998 c 15 s 4 are each amended to read as follows:

(1) A broker-dealer, salesperson, investment adviser, or investment adviser representative may apply for registration by filing with the director or his or her authorized agent an application together with a consent to service of process in such form as the director shall prescribe and payment of the fee prescribed in RCW 21.20.340.

(2) A federal covered adviser shall file such documents as the director may, by rule or otherwise, require together with a consent to service of process and the payment of the fee prescribed in RCW 21.20.340.

Sec. 596. RCW 21.20.520 and 1979 ex.s. c 68 s 37 are each amended to read as follows:

Upon request and at such reasonable charges as the director prescribes, the director shall furnish to any person photostatic or other copies (certified under his or her seal of office if requested) of any entry in the register or any document which is a matter of public record. In any proceeding or prosecution under this chapter, any copy so certified is prima facie evidence of the contents of the entry or document certified.

Sec. 597. RCW 21.30.090 and 1986 c 14 s 9 are each amended to read as follows:

(1) For the purpose of RCW 21.30.080, an offer to sell or to buy is not made in this state when the publisher circulates or there is circulated on his or her behalf in this state in any bona fide newspaper or other publication of general, regular, and paid circulation, which is not published in this state, an offer to sell

or to buy that is reasonably calculated to solicit only persons outside this state and not to solicit persons in this state.

(2) For the purpose of RCW 21.30.080, an offer to sell or to buy is not made in this state when a radio or television program or other electronic communication originating outside this state is received in this state and the offer to sell or to buy is reasonably calculated to solicit only persons outside this state and not to solicit persons in this state.

Sec. 598. RCW 22.09.011 and 1994 c 46 s 3 are each amended to read as follows:

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

(1) "Department" means the department of agriculture of the state of Washington.

(2) "Director" means the director of the department or his or her duly authorized representative.

(3) "Person" means a natural person, individual, firm, partnership, corporation, company, society, association, cooperative, two or more persons having a joint or common interest, or any unit or agency of local, state, or federal government.

(4) "Agricultural commodities," or "commodities," means: (a) Grains for which inspection standards have been established under the United States grain standards act; (b) pulses and similar commodities for which inspection standards have been established under the agricultural marketing act of 1946; and (c) other similar agricultural products for which inspection standards have been established or which have been otherwise designated by the department by rule for inspection services or the warehousing requirements of this chapter.

(5) "Warehouse," also referred to as a public warehouse, means any elevator, mill, subterminal grain warehouse, terminal warehouse, country warehouse, or other structure or enclosure located in this state that is used or useable for the storage of agricultural products, and in which commodities are received from the public for storage, handling, conditioning, or shipment for compensation. The term does not include any warehouse storing or handling fresh fruits and/or vegetables, any warehouse used exclusively for cold storage, or any warehouse that conditions yearly less than three hundred tons of an agricultural commodity for compensation.

(6) "Terminal warehouse" means any warehouse designated as a terminal by the department, and located at an inspection point where inspection facilities are maintained by the department and where commodities are ordinarily received and shipped by common carrier.

(7) "Subterminal warehouse" means any warehouse that performs an intermediate function in which agricultural commodities are customarily received from dealers rather than producers and where the commodities are accumulated before shipment to a terminal warehouse.

(8) "Station" means two or more warehouses between which commodities are commonly transferred in the ordinary course of business and that are (a) immediately adjacent to each other, or (b) located within the corporate limits of any city or town and subject to the same transportation tariff zone, or (c) at any railroad siding or switching area and subject to the same transportation tariff zone, or (d) at one location in the open country off rail, or (e) in any area that can

be reasonably audited by the department as a station under this chapter and that has been established as such by the director by rule adopted under chapter 34.05 RCW, or (f) within twenty miles of each other but separated by the border between Washington and Idaho or Oregon when the books and records for the station are maintained at the warehouse located in Washington.

(9) "Inspection point" means a city, town, or other place wherein the department maintains inspection and weighing facilities.

(10) (~~"Warehouseman"~~) "Warehouse operator" means any person owning, operating, or controlling a warehouse in the state of Washington.

(11) "Depositor" means (a) any person who deposits a commodity with a Washington state licensed (~~warehouseman~~) warehouse operator for storage, handling, conditioning, or shipment, or (b) any person who is the owner or legal holder of a warehouse receipt, outstanding scale weight ticket, or other evidence of the deposit of a commodity with a Washington state licensed (~~warehouseman~~) warehouse operator or (c) any producer whose agricultural commodity has been sold to a grain dealer through the dealer's place of business located in the state of Washington, or any Washington producer whose agricultural commodity has been sold to or is under the control of a grain dealer, whose place of business is located outside the state of Washington.

(12) "Historical depositor" means any person who in the normal course of business operations has consistently made deposits in the same warehouse of commodities produced on the same land. In addition the purchaser, lessee, and/or inheritor of such land from the original historical depositor with reference to the land shall be considered a historical depositor with regard to the commodities produced on the land.

(13) "Grain dealer" means any person who, through his or her place of business located in the state of Washington, solicits, contracts for, or obtains from a producer, title, possession, or control of any agricultural commodity for purposes of resale, or any person who solicits, contracts for, or obtains from a Washington producer, title, possession, or control of any agricultural commodity for purposes of resale.

(14) "Producer" means any person who is the owner, tenant, or operator of land who has an interest in and is entitled to receive all or any part of the proceeds from the sale of a commodity produced on that land.

(15) "Warehouse receipt" means a negotiable or nonnegotiable warehouse receipt as provided for in Article 7 of Title 62A RCW.

(16) "Scale weight ticket" means a load slip or other evidence of deposit, serially numbered, not including warehouse receipts as defined in subsection (15) of this section, given a depositor on request upon initial delivery of the commodity to the warehouse and showing the warehouse's name and state number, type of commodity, weight thereof, name of depositor, and the date delivered.

(17) "Put through" means agricultural commodities that are deposited in a warehouse for receiving, handling, conditioning, or shipping, and on which the depositor has concluded satisfactory arrangements with the (~~warehouseman~~) warehouse operator for the immediate or impending shipment of the commodity.

(18) "Conditioning" means, but is not limited to, the drying or cleaning of agricultural commodities.

(19) "Deferred price contract" means a contract for the sale of commodities that conveys the title and all rights of ownership to the commodities represented by the contract to the buyer, but allows the seller to set the price of the commodities at a later date based on an agreed upon relationship to a future month's price or some other mutually agreeable method of price determination. Deferred price contracts include but are not limited to those contracts commonly referred to as delayed price, price later contracts, or open price contracts.

(20) "Shortage" means that a (~~warehouseman~~) warehouse operator does not have in his or her possession sufficient commodities at each of his or her stations to cover the outstanding warehouse receipts, scale weight tickets, or other evidence of storage liability issued or assumed by him or her for the station.

(21) "Failure" means:

(a) An inability to financially satisfy claimants in accordance with this chapter and the time limits provided for in it;

(b) A public declaration of insolvency;

(c) A revocation of license and the leaving of an outstanding indebtedness to a depositor;

(d) A failure to redeliver any commodity to a depositor or to pay depositors for commodities purchased by a licensee in the ordinary course of business and where a bona fide dispute does not exist between the licensee and the depositor;

(e) A failure to make application for license renewal within sixty days after the annual license renewal date; or

(f) A denial of the application for a license renewal.

(22) "Original inspection" means an initial, official inspection of a grain or commodity.

(23) "Reinspection" means an official review of the results of an original inspection service by an inspection office that performed that original inspection service. A reinspection may be performed either on the basis of the official file sample or a new sample obtained by the same means as the original if the lot remains intact.

(24) "Appeal inspection" means, for commodities covered by federal standards, a review of original inspection or reinspection results by an authorized United States department of agriculture inspector. For commodities covered under state standards, an appeal inspection means a review of original or reinspection results by a supervising inspector. An appeal inspection may be performed either on the basis of the official file sample or a new sample obtained by the same means as the original if the lot remains intact.

(25) "Exempt grain dealer" means a grain dealer who purchases less than one hundred thousand dollars of covered commodities annually from producers, and operates under the provisions of RCW 22.09.060.

Sec. 599. RCW 22.09.020 and 1989 c 354 s 45 are each amended to read as follows:

The department shall administer and carry out the provisions of this chapter and rules adopted hereunder, and it has the power and authority to:

(1) Supervise the receiving, handling, conditioning, weighing, storage, and shipping of all commodities;

(2) Supervise the inspection and grading of commodities;

(3) Approve or disapprove the facilities, including scales, of all warehouses;

(4) Approve or disapprove all rates and charges for the handling, storage, and shipment of all commodities;

(5) Investigate all complaints of fraud in the operation of any warehouse;

(6) Examine, inspect, and audit, during ordinary business hours, any warehouse licensed under this chapter, including all commodities therein and examine, inspect, audit, or record all books, documents, and records;

(7) Examine, inspect, and audit during ordinary business hours, all books, documents, and records, and examine, inspect, audit, or record records of any grain dealer licensed hereunder at the grain dealer's principal office or headquarters;

(8) Inspect at reasonable times any warehouse or storage facility where commodities are received, handled, conditioned, stored, or shipped, including all commodities stored therein and all books, documents, and records in order to determine whether or not such facility should be licensed pursuant to this chapter;

(9) Inspect at reasonable times any grain dealer's books, documents, and records in order to determine whether or not the grain dealer should be licensed under this chapter;

(10) Administer oaths and issue subpoenas to compel the attendance of witnesses, and/or the production of books, documents, and records anywhere in the state pursuant to a hearing relative to the purpose and provisions of this chapter. Witnesses shall be entitled to fees for attendance and travel, as provided in chapter 2.40 RCW;

(11) Adopt rules establishing inspection standards and procedures for grains and commodities;

(12) Adopt rules regarding the identification of commodities by the use of confetti or other similar means so that such commodities may be readily identified if stolen or removed in violation of the provisions of this chapter from a warehouse or if otherwise unlawfully transported;

(13) Adopt all the necessary rules for carrying out the purpose and provisions of this chapter. The adoption of rules under the provisions of this chapter shall be subject to the provisions of chapter 34.05 RCW, the Administrative Procedure Act. When adopting rules in respect to the provisions of this chapter, the director shall hold a public hearing and shall to the best of his or her ability consult with persons and organizations or interests who will be affected thereby, and any final rule adopted as a result of the hearing shall be designed to promote the provisions of this chapter and shall be reasonable and necessary and based upon needs and conditions of the industry, and shall be for the purpose of promoting the well-being of the industry to be regulated and the general welfare of the people of the state.

Sec. 600. RCW 22.09.040 and 1987 c 393 s 17 are each amended to read as follows:

Application for a license to operate a warehouse under the provisions of this chapter shall be on a form prescribed by the department and shall include:

(1) The full name of the person applying for the license and whether the applicant is an individual, partnership, association, corporation, or other entity;

(2) The full name of each member of the firm or partnership, or the names of the officers of the company, society, cooperative association, or corporation;

(3) The principal business address of the applicant in the state and elsewhere;

(4) The name or names of the person or persons authorized to receive and accept service of summons and legal notices of all kinds for the applicant;

(5) Whether the applicant has also applied for or has been issued a grain dealer license under the provisions of this chapter;

(6) The location of each warehouse the applicant intends to operate and the location of the headquarters or main office of the applicant;

(7) The bushel storage capacity of each such warehouse to be licensed;

(8) The schedule of fees to be charged at each warehouse for the handling, conditioning, storage, and shipment of all commodities during the licensing period;

(9) A financial statement to determine the net worth of the applicant to determine whether or not the applicant meets the minimum net worth requirements established by the director pursuant to chapter 34.05 RCW. All financial statement information required by this subsection shall be confidential information not subject to public disclosure;

(10) Whether the application is for a terminal, subterminal, or country warehouse license;

(11) Whether the applicant has previously been denied a grain dealer or ~~((warehouseman))~~ warehouse operator license or whether the applicant has had either license suspended or revoked by the department;

(12) Any other reasonable information the department finds necessary to carry out the purpose and provisions of this chapter.

Sec. 601. RCW 22.09.045 and 1987 c 393 s 18 are each amended to read as follows:

Application for a license to operate as a grain dealer under the provisions of this chapter shall be on a form prescribed by the department and shall include:

(1) The full name of the person applying for the license and whether the applicant is an individual, partnership, association, corporation, or other entity;

(2) The full name of each member of the firm or partnership, or the names of the officers of the company, society, cooperative association, or corporation;

(3) The principal business address of the applicant in the state and elsewhere;

(4) The name or names of the person or persons in this state authorized to receive and accept service of summons and legal notices of all kinds for the applicant;

(5) Whether the applicant has also applied for or has been issued a warehouse license under this chapter;

(6) The location of each business location from which the applicant intends to operate as a grain dealer in the state of Washington whether or not the business location is physically within the state of Washington, and the location of the headquarters or main office of the application;

(7) A financial statement to determine the net worth of the applicant to determine whether or not the applicant meets the minimum net worth requirements established by the director under chapter 34.05 RCW. However, if the applicant is a subsidiary of a larger company, corporation, society, or cooperative association, both the parent company and the subsidiary company must submit a financial statement to determine whether or not the applicant

meets the minimum net worth requirements established by the director under chapter 34.05 RCW. All financial statement information required by this subsection shall be confidential information not subject to public disclosure;

(8) Whether the applicant has previously been denied a grain dealer or ~~((warehouseman))~~ warehouse operator license or whether the applicant has had either license suspended or revoked by the department;

(9) Any other reasonable information the department finds necessary to carry out the purpose and provisions of this chapter.

Sec. 602. RCW 22.09.050 and 1997 c 303 s 6 are each amended to read as follows:

Any application for a license to operate a warehouse shall be accompanied by a license fee of one thousand three hundred fifty dollars for a terminal warehouse, one thousand fifty dollars for a subterminal warehouse, and five hundred dollars for a country warehouse. If a licensee operates more than one warehouse under one state license as provided for in RCW 22.09.030, the license fee shall be computed by multiplying the number of physically separated warehouses within the station by the applicable terminal, subterminal, or country warehouse license fee.

If an application for renewal of a warehouse license or licenses is not received by the department prior to the renewal date or dates established by the director by rule, a penalty of fifty dollars for the first week and one hundred dollars for each week thereafter shall be assessed and added to the original fee and shall be paid by the applicant before the renewal license may be issued. This penalty does not apply if the applicant furnishes an affidavit certifying that he or she has not acted as a ~~((warehouseman))~~ warehouse operator subsequent to the expiration of his or her prior license.

Sec. 603. RCW 22.09.055 and 1997 c 303 s 7 are each amended to read as follows:

An application for a license to operate as a grain dealer shall be accompanied by a license fee of seven hundred fifty dollars. The license fee for exempt grain dealers shall be three hundred dollars.

If an application for renewal of a grain dealer or exempt grain dealer license is not received by the department before the renewal date or dates established by the director by rule, a penalty of fifty dollars for the first week and one hundred dollars for each week thereafter shall be assessed and added to the original fee and shall be paid by the applicant before the renewal license may be issued. This penalty does not apply if the applicant furnishes an affidavit certifying that he or she has not acted as a grain dealer or exempt grain dealer after the expiration of his or her prior license.

Sec. 604. RCW 22.09.090 and 1987 c 509 s 2 are each amended to read as follows:

(1) An applicant for a warehouse or grain dealer license pursuant to the provisions of this chapter shall give a bond to the state of Washington executed by the applicant as the principal and by a corporate surety licensed to do business in this state as surety.

(2) The bond required under this section for the issuance of a warehouse license shall be in the sum of not less than fifty thousand dollars nor more than seven hundred fifty thousand dollars. The department shall, after holding a

public hearing, determine the amount that will be required for the warehouse bond which shall be computed at a rate of not less than fifteen cents nor more than thirty cents per bushel multiplied by the number of bushels of licensed commodity storage capacity of the warehouses of the applicant furnishing the bond. The applicant for a warehouse license may give a single bond meeting the requirements of this chapter, and all warehouses operated by the (~~warehouseman~~) warehouse operator are deemed to be one warehouse for the purpose of the amount of the bond required under this subsection. Any change in the capacity of a warehouse or addition of any new warehouse involving a change in bond liability under this chapter shall be immediately reported to the department.

(3) The bond required under this section for the issuance of a grain dealer license shall be in the sum of not less than fifty thousand dollars nor more than seven hundred fifty thousand dollars. The department shall, after holding a public hearing, determine the amount that will be required for the dealer bond which shall be computed at a rate not less than six percent nor more than twelve percent of the sales of agricultural commodities purchased by the dealer from producers during the dealer's last completed fiscal year or in the case of a grain dealer who has been engaged in business as a grain dealer less than one year, the estimated aggregate dollar amount to be paid by the dealer to producers for agricultural commodities to be purchased by the dealer during the dealer's first fiscal year.

(4) An applicant making application for both a warehouse license and a grain dealer license may satisfy the bonding requirements set forth in subsections (2) and (3) of this section by giving to the state of Washington a single bond for the issuance of both licenses, which bond shall be in the sum of not less than fifty thousand dollars nor more than seven hundred fifty thousand dollars. The department shall, after holding a public hearing, determine the amount of the bond which shall be computed at a rate of not less than fifteen cents nor more than thirty cents per bushel multiplied by the number of bushels of licensed commodity storage capacity of the warehouses of the applicant furnishing the bond, or at the rate of not less than six percent nor more than twelve percent of the gross sales of agricultural commodities of the applicant whichever is greater.

(5) The bonds required under this chapter shall be approved by the department and shall be conditioned upon the faithful performance by the licensee of the duties imposed upon him or her by this chapter. If a person has applied for warehouse licenses to operate two or more warehouses in this state, the assets applicable to all warehouses, but not the deposits except in case of a station, are subject to the liabilities of each. The total and aggregate liability of the surety for all claims upon the bond is limited to the face amount of the bond.

(6) Any person required to submit a bond to the department under this chapter has the option to give the department a certificate of deposit or other security acceptable to the department payable to the director as trustee, in lieu of a bond or a portion thereof. The principal amount of the certificate or other security shall be the same as that required for a surety bond under this chapter or may be in an amount which, when added to the bond, will satisfy the licensee's requirements for a surety bond under this chapter, and the interest thereon shall be made payable to the purchaser of the certificate or other security. The

certificate of deposit or other security shall remain on deposit until it is released, canceled, or discharged as provided for by rule of the department. The provisions of this chapter that apply to a bond required under this chapter apply to each certificate of deposit or other security given in lieu of such a bond.

(7) The department may, when it has reason to believe that a grain dealer does not have the ability to pay producers for grain purchased, or when it determines that the grain dealer does not have a sufficient net worth to outstanding financial obligations ratio, or when it believes there may be claims made against the bond in excess of the face amount of the bond, require a grain dealer to post an additional bond in a dollar amount deemed appropriate by the department or may require an additional certificate of deposit or other security. The additional bonding or other security may exceed the maximum amount of the bond otherwise required under this chapter. Failure to post the additional bond, certificate of deposit, or other security constitutes grounds for suspension or revocation of a license issued under this chapter.

(8) Notwithstanding any other provisions of this chapter, the license of a ~~((warehouseman))~~ warehouse operator or grain dealer shall automatically be suspended in accordance with RCW 22.09.100 for failure at any time to have or to maintain a bond, certificate of deposit, or other security or combination thereof in the amount and type required by this chapter. The department shall remove the suspension or issue a license as the case may be, when the required bond, certificate of deposit, or other security has been obtained.

Sec. 605. RCW 22.09.100 and 1987 c 509 s 4 are each amended to read as follows:

(1) Every bond filed with and approved by the department shall without the necessity of periodic renewal remain in force and effect until such time as the ~~((warehouseman))~~ warehouse operator or grain dealer license of each principal on the bond is revoked or otherwise canceled.

(2) The surety on a bond, as provided in this chapter, shall be released and discharged from all liability to the state, as to a principal whose license is revoked or canceled, which liability accrues after the expiration of thirty days from the effective date of the revocation or cancellation of the license. The surety on a bond under this chapter shall be released and discharged from all liability to the state accruing on the bond after the expiration of ninety days from the date upon which the surety lodges with the department a written request to be released and discharged. Nothing in this section shall operate to relieve, release, or discharge the surety from any liability which accrues before the expiration of the respective thirty or ninety-day period. In the event of a cancellation by the surety, the surety shall simultaneously send the notification of cancellation in writing to any other governmental agency requesting it. Upon receiving any such request, the department shall promptly notify the principal or principals who furnished the bond, and unless the principal or principals file a new bond on or before the expiration of the respective thirty or ninety-day period, the department shall forthwith cancel the license of the principal or principals whose bond has been canceled.

Sec. 606. RCW 22.09.110 and 1983 c 305 s 29 are each amended to read as follows:

All commodities in storage in a warehouse shall be kept fully insured for the current market value of the commodity for the license period against loss by fire, lightning, internal explosion, windstorm, cyclone, and tornado. Evidence of the insurance coverage in the form of a certificate of insurance approved by the department shall be filed by the ~~((warehouseman))~~ warehouse operator with the department at the time of making application for an annual license to operate a warehouse as required by this chapter. The department shall not issue a license until the certificate of insurance is received.

Sec. 607. RCW 22.09.130 and 1983 c 305 s 30 are each amended to read as follows:

(1) Every ~~((warehouseman))~~ warehouse operator shall receive for handling, conditioning, storage, or shipment, so far as the capacity and facilities of his or her warehouse will permit, all commodities included in the provisions of this chapter, in suitable condition for storage, tendered him or her in the usual course of business from historical depositors and shall issue therefor a warehouse receipt or receipts in a form prescribed by the department as provided in this chapter or a scale weight ticket. ~~((Warehousemen))~~ Warehouse operators may accept agricultural commodities from new depositors who qualify to the extent of the capacity of that warehouse. The deposit for handling, conditioning, storage, or shipment of the commodity must be credited to the depositor in the books of the ~~((warehouseman))~~ warehouse operator as soon as possible, but in no event later than seven days from the date of the deposit. If the commodity has been graded a warehouse receipt shall be issued within ten days after demand by the owner.

(2) If requested by the depositor, each lot of his or her commodity shall be kept in a special pile or special bin, if available, but in the case of a bulk commodity, if the lot or any portion of it does not equal the capacity of any available bin, the depositor may exercise his or her option to require the commodity to be specially binned only on agreement to pay charges based on the capacity of the available bin most nearly approximating the required capacity.

(3) A ~~((warehouseman))~~ warehouse operator may refuse to accept for storage, commodities that are wet, damaged, insect-infested, or in other ways unsuitable for storage.

(4) Terminal and subterminal ~~((warehousemen))~~ warehouse operators shall receive put through agricultural commodities to the extent satisfactory transportation arrangements can be made, but may not be required to receive agricultural commodities for storage.

Sec. 608. RCW 22.09.140 and 1963 c 124 s 14 are each amended to read as follows:

~~((+))~~ When partial withdrawal of his or her commodity is made by a depositor, the ~~((warehouseman))~~ warehouse operator shall make appropriate notation thereof on the depositor's nonnegotiable receipt or on other records, or, if the ~~((warehouseman))~~ warehouse operator has issued a negotiable receipt to the depositor, he or she shall claim, cancel, and replace it with a negotiable receipt showing the amount of such depositor's commodity remaining in the warehouse, and for his or her failure to claim and cancel, upon delivery to the owner of a commodity stored in his or her warehouse, a negotiable receipt issued by him or her, the negotiation of which would transfer the right to possession of

such commodity, a ((~~warehouseman~~)) warehouse operator shall be liable to anyone who purchases such receipt for value and in good faith, for failure to deliver to him or her all the commodity specified in the receipt, whether such purchaser acquired title to the negotiable receipt before or after delivery of any part of the commodity by the ((~~warehouseman~~)) warehouse operator.

Sec. 609. RCW 22.09.150 and 1983 c 305 s 31 are each amended to read as follows:

(1) The duty of the ((~~warehouseman~~)) warehouse operator to deliver the commodities in storage is governed by the provisions of this chapter and the requirements of Article 7 of Title 62A RCW. Upon the return of the receipt to the proper ((~~warehouseman~~)) warehouse operator, properly endorsed, and upon payment or tender of all advances and legal charges, the ((~~warehouseman~~)) warehouse operator shall deliver commodities of the grade and quantity named upon the receipt to the holder of the receipt, except as provided by Article 7 of Title 62A RCW.

(2) A ((~~warehouseman's~~)) warehouse operator's duty to deliver any commodity is fulfilled if delivery is made pursuant to the contract with the depositor or if no contract exists, then to the several owners in the order of demand as rapidly as it can be done by ordinary diligence. Where delivery is made within forty-eight hours excluding Saturdays, Sundays, and legal holidays after facilities for receiving the commodity are provided, the delivery is deemed to comply with this subsection.

(3) No ((~~warehouseman~~)) warehouse operator may fail to deliver a commodity as provided in this section, and delivery shall be made at the warehouse or station where the commodity was received unless the ((~~warehouseman~~)) warehouse operator and depositor otherwise agree in writing.

(4) In addition to being subject to penalties provided in this chapter for a violation of this section, if a ((~~warehouseman~~)) warehouse operator unreasonably fails to deliver commodities within the time as provided in this section, the person entitled to delivery of the commodity may maintain an action against the ((~~warehouseman~~)) warehouse operator for any damages resulting from the ((~~warehouseman's~~)) warehouse operator's unreasonable failure to so deliver. In any such action the person entitled to delivery of the commodity has the option to seek recovery of his or her actual damages or liquidated damages of one-half of one percent of the value for each day's delay after the forty-eight hour period.

Sec. 610. RCW 22.09.160 and 1963 c 124 s 16 are each amended to read as follows:

(1) If a ((~~warehouseman~~)) warehouse operator discovers that as a result of a quality or condition of a certain commodity placed in his or her warehouse, including identity preserved commodities as provided for in RCW 22.09.130(2), of which he or she had no notice at the time of deposit, such commodity is a hazard to other commodities or to persons or to the warehouse he or she may notify the depositor that it will be removed. If the depositor does not accept delivery of such commodity upon removal the ((~~warehouseman~~)) warehouse operator may sell the commodity at public or private sale without advertisement but with reasonable notification of the sale to all persons known to claim an interest in the commodity. If the ((~~warehouseman~~)) warehouse operator after a

reasonable effort is unable to sell the commodity, he or she may dispose of it in any other lawful manner and shall incur no liability by reason of such disposition.

(2) At any time prior to sale or disposition as authorized in this section, the ~~((warehouseman))~~ warehouse operator shall deliver the commodity to any person entitled to it, upon proper demand and payment of charges.

(3) From the proceeds of sale or other disposition of the commodity the ~~((warehouseman))~~ warehouse operator may satisfy his or her charges for which otherwise he or she would have a lien, and shall hold the balance thereof for delivery on the demand of any person to whom he or she would have been required to deliver the commodity.

Sec. 611. RCW 22.09.170 and 1983 c 305 s 32 are each amended to read as follows:

If the owner of the commodity or his or her authorized agent gives or furnishes to a licensed ~~((warehouseman))~~ warehouse operator a written instruction or order, and if the order is properly made a part of the ~~((warehouseman's))~~ warehouse operator's records and is available for departmental inspection, then the ~~((warehouseman))~~ warehouse operator:

(1) May receive the commodity for the purpose of processing or conditioning;

(2) May receive the commodity for the purpose of shipping by the ~~((warehouseman))~~ warehouse operator for the account of the depositor;

(3) May accept an agricultural commodity delivered as seed and handle it pursuant to the terms of a contract with the depositor and the contract shall be considered written instructions pursuant to this section.

Sec. 612. RCW 22.09.175 and 1983 c 305 s 33 are each amended to read as follows:

(1) A commodity deposited with a ~~((warehouseman))~~ warehouse operator without a written agreement for sale of the commodity to the ~~((warehouseman))~~ warehouse operator shall be handled and considered to be a commodity in storage.

(2) A presumption is hereby created that in all written agreements for the sale of commodities, the intent of the parties is that title and ownership to the commodities shall pass on the date of payment therefor. This presumption may only be rebutted by a clear statement to the contrary in the agreement.

(3) Any ~~((warehouseman))~~ warehouse operator or grain dealer entering into a deferred price contract with a depositor shall first have the form of the contract approved by the director. The director shall adopt rules setting forth the standards for approval of the contracts.

Sec. 613. RCW 22.09.180 and 1983 c 305 s 34 are each amended to read as follows:

(1) The licensee shall maintain complete records at all times with respect to all agricultural commodities handled, stored, shipped, or merchandised by him or her, including commodities owned by him or her. The department shall adopt rules specifying the minimum record-keeping requirements necessary to comply with this section.

(2) The licensee shall maintain an itemized statement of any charges paid by the depositor.

Sec. 614. RCW 22.09.190 and 1983 c 305 s 35 are each amended to read as follows:

No ((~~warehouseman~~)) warehouse operator subject to the provisions of this chapter may:

(1) Directly or indirectly, by any special charge, rebate, drawback, or other device, demand, collect, or receive from any person a greater or lesser compensation for any service rendered or to be rendered in the handling, conditioning, storage, or shipment of any commodity than he or she demands, collects, or receives from any other person for doing for him or her a like and contemporaneous service in the handling, conditioning, storage, or shipment of any commodity under substantially similar circumstances or conditions;

(2) Make or give any undue or unreasonable preference or advantage to any person in any respect whatsoever;

(3) Subject any particular person to any undue or unreasonable prejudice or disadvantage in any respect whatsoever.

Sec. 615. RCW 22.09.230 and 1983 c 305 s 39 are each amended to read as follows:

Every warehouse licensee shall post at or near the main entrance to each of his or her warehouses a sign as prescribed by the department which shall include the words "Washington Bonded Warehouse." It is unlawful to display such sign or any sign of similar appearance or bearing the same words, or words of similar import, when the warehouse is not licensed and bonded under this chapter.

Sec. 616. RCW 22.09.240 and 1991 c 109 s 29 are each amended to read as follows:

Every ((~~warehouseman~~)) warehouse operator shall annually, during the first week in July, publish by posting in a conspicuous place in each of his or her warehouses the schedule of handling, conditioning, and storage rates filed with the department for the ensuing license year. The schedule shall be kept posted, and the rates shall not be changed during such year except after thirty days' written notice to the director and proper posting of the changes on the licensee's premises.

Sec. 617. RCW 22.09.250 and 1983 c 305 s 41 are each amended to read as follows:

It is unlawful for a ((~~warehouseman~~)) warehouse operator to:

(1) Issue a warehouse receipt for any commodity that he or she does not have in his or her warehouse at the time the receipt is issued;

(2) Issue warehouse receipts in excess of the amount of the commodities held in the licensee's warehouse to cover the receipt;

(3) Remove, deliver, direct, assist, or permit any person to remove, or deliver any commodity from any warehouse for which warehouse receipts have been issued and are outstanding without receiving and canceling the warehouse receipt issued therefor;

(4) Sell, encumber, ship, transfer, or in any manner remove or permit to be shipped, transferred, or removed from a warehouse any commodity received by him or her for deposit, handling, conditioning, or shipment, for which scale weight tickets have been issued without the written approval of the holder of the scale weight ticket and such transfer shall be shown on the individual depositor's account and the inventory records of the ((~~warehouseman~~)) warehouse operator;

(5) Remove, deliver, direct, assist, or permit any person to deliver, or remove any commodities from any warehouse, whereby the amount of any fairly representative grade or class of any commodity in the warehouses of the licensee is reduced below the amount for which warehouse receipts or scale weight tickets for the particular commodity are outstanding;

(6) Issue a warehouse receipt showing a grade or description different from the grade or description of the commodity delivered;

(7) Issue a warehouse receipt or scale weight ticket that exceeds the amount of the actual quantity of commodities delivered for storage;

(8) Fail to deliver commodities pursuant to RCW 22.09.150 upon demand of the depositor;

(9) Knowingly accept for storage any commodity destined for human consumption that has been contaminated with an agricultural pesticide or filth rendering it unfit for human consumption, if the commodities are commingled with any uncontaminated commodity;

(10) Terminate storage of a commodity in his or her warehouse without giving thirty days' written notice to the depositor.

Sec. 618. RCW 22.09.260 and 1983 c 305 s 42 are each amended to read as follows:

No depositor may knowingly deliver for handling, conditioning, storage, or shipment any commodity treated with an agricultural pesticide or contaminated with filth rendering it unfit for human consumption without first notifying the (~~warehouseman~~) warehouse operator.

Sec. 619. RCW 22.09.290 and 1989 c 354 s 46 are each amended to read as follows:

(1) Every warehouse receipt issued for commodities covered by this chapter shall embody within its written or printed terms:

(a) The grade of the commodities as described by the official standards of this state, unless the identity of the commodity is in fact preserved in a special pile or special bin, and an identifying mark of such pile or bin shall appear on the face of the receipt and on the pile or bin. A commodity in a special pile or bin shall not be removed or relocated without canceling the outstanding receipt and issuing a new receipt showing the change;

(b) Such other terms and conditions as required by Article 7 of Title 62A RCW: PROVIDED, That nothing contained therein requires a receipt issued for wheat to specifically state the variety of wheat by name;

(c) A clause reserving for the (~~warehouseman~~) warehouse operator the optional right to terminate storage upon thirty days' written notice to the depositor and collect outstanding charges against any lot of commodities after June 30th following the date of the receipt.

(2) Warehouse receipts issued under the United States warehouse act (7 USCA § 241 et seq.) are deemed to fulfill the requirements of this chapter so far as it pertains to the issuance of warehouse receipts.

Sec. 620. RCW 22.09.300 and 1979 ex.s. c 238 s 20 are each amended to read as follows:

(1) All warehouse receipts issued under this chapter shall be upon forms prescribed by the department and supplied only to licensed (~~warehousemen~~) warehouse operators at cost of printing, packing, and shipping, as determined by

the department. They shall contain the state number of such license and shall be numbered serially for each state number and the original negotiable receipts shall bear the state seal. Requests for such receipts shall be on forms furnished by the department and shall be accompanied by payment to cover cost: PROVIDED, That the department by order may allow a ~~((warehouseman))~~ warehouse operator to have his or her individual warehouse receipts printed, after the form of the receipt is approved as in compliance with this chapter, and the ~~((warehouseman's))~~ warehouse operator's printer shall supply an affidavit stating the amount of receipts printed, numbers thereof: PROVIDED FURTHER, That the ~~((warehouseman))~~ warehouse operator must supply a bond in an amount fixed by the department and not to exceed five thousand dollars to cover any loss resulting from the unlawful use of any such receipts.

(2) All warehouse receipts shall comply with the provisions of Article 7 of Title 62A RCW as enacted or hereafter amended, except as to the variety of wheat as set forth in RCW 22.09.290(1)(b) herein, and with the provisions of this chapter where not inconsistent or in conflict with Article 7 of Title 62A RCW. All receipts remaining unused shall be confiscated by the department if the license required herein is not promptly renewed or is suspended, revoked, or canceled.

Sec. 621. RCW 22.09.320 and 1963 c 124 s 32 are each amended to read as follows:

In case any warehouse receipt issued by a licensee shall be lost or destroyed, the owner thereof shall be entitled to a duplicate receipt from the licensee upon executing and delivering to the ~~((warehouseman))~~ warehouse operator issuing such receipt, a bond in double the value of the commodity covered by such lost receipt, with good and sufficient surety to indemnify the ~~((warehouseman))~~ warehouse operator against any loss sustained by reason of the issuance of such duplicate receipt, and such duplicate receipt shall state that it is issued in lieu of the former receipt, giving the number and date thereof.

Sec. 622. RCW 22.09.340 and 1983 c 305 s 46 are each amended to read as follows:

(1) Upon the request of any person or persons having an interest in a commodity stored in any public warehouse and upon payment of fifty dollars in advance by the person or persons, the department may cause the warehouse to be inspected and shall check the outstanding negotiable and nonnegotiable warehouse receipts, and scale weight tickets that have not been superseded by negotiable or nonnegotiable warehouse receipts, with the commodities on hand and shall report the amount of receipts and scale weight tickets outstanding and the amount of storage, if any. If the cost of the examination is more than fifty dollars, the person or persons having an interest in the commodity stored in the warehouse and requesting the examination, shall pay the additional cost to the department, unless a shortage is found to exist.

(2) A warehouse shall be maintained in a manner that will provide a reasonable means of ingress and egress to the various storage bins and compartments by those persons authorized to make inspections, and an adequate facility to complete the inspections shall be provided.

(3) The property, books, records, accounts, papers, and proceedings of every such ~~((warehouseman))~~ warehouse operator shall at all reasonable times be

subject to inspection by the department. The ((~~warehouseman~~)) warehouse operator shall maintain adequate records and systems for the filing and accounting of warehouse receipts, canceled warehouse receipts, scale weight tickets, other documents, and transactions necessary or common to the warehouse industry. Canceled warehouse receipts, copies of scale weight tickets, and other copies of documents evidencing ownership or ownership liability shall be retained by the ((~~warehouseman~~)) warehouse operator for a period of at least three years from the date of deposit.

(4) Any ((~~warehouseman~~)) warehouse operator whose principal office or headquarters is located outside the state of Washington shall make available, if requested, during ordinary business hours, at any of their warehouses licensed in the state of Washington, all books, documents, and records for inspection.

(5) Any grain dealer whose principal office or headquarters is located outside the state of Washington shall make available, if requested, all books, documents, and records for inspection during ordinary business hours at any facility located in the state of Washington, or if no facility in the state of Washington, then at a Washington state department of agriculture office or other mutually acceptable place.

Sec. 623. RCW 22.09.345 and 1987 c 393 s 20 are each amended to read as follows:

(1) The department may give written notice to the ((~~warehouseman~~)) warehouse operator or grain dealer to submit to inspection, and/or furnish required reports, documents, or other requested information, under such conditions and at such time as the department may deem necessary whenever a ((~~warehouseman~~)) warehouse operator or grain dealer fails to:

(a) Submit his or her books, papers, or property to lawful inspection or audit;

(b) Submit required reports or documents to the department by their due date; or

(c) Furnish the department with requested information, including but not limited to correction notices.

(2) If the ((~~warehouseman~~)) warehouse operator or grain dealer fails to comply with the terms of the notice within twenty-four hours from the date of its issuance, or within such further time as the department may allow, the department shall levy a fine of fifty dollars per day from the final date for compliance allowed by this section or the department. In those cases where the failure to comply continues for more than thirty days or where the director determines the failure to comply creates a threat of loss to depositors, the department may, in lieu of levying further fines petition the superior court of the county where the licensee's principal place of business in Washington is located, as shown by the license application, for an order:

(a) Authorizing the department to seize and take possession of all books, papers, and property of all kinds used in connection with the conduct or the operation of the ((~~warehouseman's~~)) warehouse operator's or grain dealer's business, and the books, papers, records, and property that pertain specifically, exclusively, and directly to that business; and

(b) Enjoining the ((~~warehouseman~~)) warehouse operator or grain dealer from interfering with the department in the discharge of its duties as required by this chapter.

(3) All necessary costs and expenses, including attorneys' fees, incurred by the department in carrying out the provisions of this section may be recovered at the same time and as part of the action filed under this section.

Sec. 624. RCW 22.09.350 and 1983 c 305 s 48 are each amended to read as follows:

(1) Whenever it appears that there is evidence after any investigation that a ~~((warehouseman))~~ warehouse operator has a shortage, the department may levy a fine of one hundred dollars per day until the ~~((warehouseman))~~ warehouse operator covers the shortage.

(2) In any case where the director determines the shortage creates a substantial or continuing threat of loss to the depositors of the ~~((warehouseman))~~ warehouse operator, the department may, in lieu of levying a fine or further fines, give notice to the ~~((warehouseman))~~ warehouse operator to comply with all or any of the following requirements:

(a) Cover the shortage;

(b) Give additional bond as requested by the department;

(c) Submit to such inspection as the department may deem necessary;

(d) Cease accepting further commodities from depositors or selling, encumbering, transporting, or otherwise changing possession, custody, or control of commodities owned by the ~~((warehouseman))~~ warehouse operator until there is no longer a shortage.

(3) If the ~~((warehouseman))~~ warehouse operator fails to comply with the terms of the notice provided for in subsection (2) of this section within twenty-four hours from the date of its issuance, or within such further time as the department may allow, the department may petition the superior court of the county where the licensee's principal place of business in Washington is located as shown by the license application, for an order:

(a) Authorizing the department to seize and take possession of all or a portion of special piles and special bins of commodities and all or a portion of commingled commodities in the warehouse or warehouses owned, operated, or controlled by the ~~((warehouseman))~~ warehouse operator, and of all books, papers, and property of all kinds used in connection with the conduct or the operation of the ~~((warehouseman's))~~ warehouse operator's warehouse business, and the books, papers, records, and property that pertain specifically, exclusively, and directly to that business; and

(b) Enjoining the ~~((warehouseman))~~ warehouse operator from interfering with the department in the discharge of its duties as required by this section.

Sec. 625. RCW 22.09.361 and 1983 c 305 s 49 are each amended to read as follows:

(1) Whenever the department, pursuant to court order, seizes and takes possession of all or a portion of special piles and special bins of commodities, all or a portion of commingled commodities in a warehouse owned, operated, or controlled by a ~~((warehouseman))~~ warehouse operator, or books, papers, and property of any kind used in connection with the conduct of a ~~((warehouseman's))~~ warehouse operator's warehouse business, the department shall:

(a) Give written notice of its action to the surety on the bond of the ~~((warehouseman))~~ warehouse operator and may notify the holders of record, as

shown by the ((~~warehouseman's~~)) warehouse operator's records, of all warehouse receipts or scale weight tickets issued for commodities, to present their warehouse receipt or other evidence of deposits for inspection, or to account for the same. The department may thereupon cause an audit to be made of the affairs of the warehouse, especially with respect to the commodities in which there is an apparent shortage, to determine the amount of the shortage and compute the shortage as to each depositor as shown by the ((~~warehouseman's~~)) warehouse operator's records, if practicable. The department shall notify the ((~~warehouseman~~)) warehouse operator and the surety on his or her bond of the approximate amount of the shortage and notify each depositor thereby affected by sending notice to the depositor's last known address as shown by the records of the ((~~warehouseman~~)) warehouse operator.

(b) Retain possession of the commodities in the warehouse or warehouses, and of the books, papers, and property of the ((~~warehouseman~~)) warehouse operator, until the ((~~warehouseman~~)) warehouse operator or the surety on the bond has satisfied the claims of all holders of warehouse receipts or other evidence of deposits, or, in case the shortage exceeds the amount of the bond, the surety on the bond has satisfied the claims pro rata.

(2) At any time within ten days after the department takes possession of any commodities or the books, papers, and property of any warehouse, the ((~~warehouseman~~)) warehouse operator may serve notice upon the department to appear in the superior court of the county in which the warehouse is located, at a time to be fixed by the court, which shall not be less than five nor more than fifteen days from the date of the service of the notice, and show cause why such commodities, books, papers, and property should not be restored to his or her possession.

(3) All necessary expenses and attorneys' fees incurred by the department in carrying out the provisions of this section may be recovered in the same action or in a separate civil action brought by the department in the superior court.

(4) As a part of the expenses so incurred, the department is authorized to include the cost of adequate liability insurance necessary to protect the department, its officers, and others engaged in carrying out the provisions of this section.

Sec. 626. RCW 22.09.371 and 1987 c 393 s 21 are each amended to read as follows:

(1) When a depositor stores a commodity with a ((~~warehouseman~~)) warehouse operator or sells a commodity to a grain dealer, the depositor has a first priority statutory lien on the commodity or the proceeds therefrom or on commodities owned by the ((~~warehouseman~~)) warehouse operator or grain dealer if the depositor has written evidence of ownership disclosing a storage obligation or written evidence of sale. The lien arises at the time the title is transferred from the depositor to the ((~~warehouseman~~)) warehouse operator or grain dealer, or if the commodity is under a storage obligation, the lien arises at the commencement of the storage obligation. The lien terminates when the liability of the ((~~warehouseman~~)) warehouse operator or grain dealer to the depositor terminates or if the depositor sells his or her commodity to the ((~~warehouseman~~)) warehouse operator or grain dealer, then thirty days after the date title passes. If, however, the depositor is tendered payment by check or draft, then the lien shall not terminate until forty days after the date title passes.

(2) The lien created under this section shall be preferred to any lien or security interest in favor of any creditor of the ((~~warehouseman~~) warehouse operator) or grain dealer, regardless of whether the creditor's lien or security interest attached to the commodity or proceeds before or after the date on which the depositor's lien attached under subsection (1) of this section.

(3) A depositor who claims a lien under subsection (1) of this section need not file any notice of the lien in order to perfect the lien.

(4) The lien created by subsection (1) of this section is discharged, except as to the proceeds therefrom and except as to commodities owned by the ((~~warehouseman~~) warehouse operator) or grain dealer, upon sale of the commodity by the ((~~warehouseman~~) warehouse operator) or grain dealer to a buyer in the ordinary course of business.

Sec. 627. RCW 22.09.381 and 1983 c 305 s 51 are each amended to read as follows:

In the event of a failure of a grain dealer or ((~~warehouseman~~) warehouse operator), the department may process the claims of depositors possessing written evidence of ownership disclosing a storage obligation or written evidence of a sale of commodities in the following manner:

(1) The department shall give notice and provide a reasonable time to depositors possessing written evidence of ownership disclosing a storage obligation or written evidence of sale of commodities to file their claims with the department.

(2) The department may investigate each claim and determine whether the claimant's commodities are under a storage obligation or whether a sale of the commodities has occurred. The department may, in writing, notify each claimant and the failed grain dealer or ((~~warehouseman~~) warehouse operator) of the department's determination as to the status and amount of each claimant's claim. A claimant, failed ((~~warehouseman~~) warehouse operator), or grain dealer may request a hearing on the department's determination within twenty days of receipt of written notification, and a hearing shall be held in accordance with chapter 34.05 RCW.

(3) The department may inspect and audit the failed ((~~warehouseman~~) warehouse operator) to determine whether the ((~~warehouseman~~) warehouse operator) has in his or her possession sufficient quantities of commodities to cover his or her storage obligations. In the event of a shortage, the department shall determine each depositor's pro rata share of available commodities and the deficiency shall be considered as a claim of the depositor. Each type of commodity shall be treated separately for ((~~the~~) the) purpose of determining shortages.

(4) The department shall determine the amount, if any, due each claimant by the surety and make demand upon the bond in the manner set forth in this chapter.

Sec. 628. RCW 22.09.391 and 1987 c 393 s 22 are each amended to read as follows:

Upon the failure of a grain dealer or ((~~warehouseman~~) warehouse operator), the statutory lien created in RCW 22.09.371 shall be liquidated by the department to satisfy the claims of depositors in the following manner:

(1) The department shall take possession of all commodities in the warehouse, including those owned by the (~~warehouseman~~) warehouse operator or grain dealer, and those that are under warehouse receipts or any written evidence of ownership that discloses a storage obligation by a failed (~~warehouseman~~) warehouse operator, including but not limited to scale weight tickets, settlement sheets, and ledger cards. These commodities shall be distributed or sold and the proceeds distributed to satisfy the outstanding warehouse receipts or other written evidences of ownership. If a shortage exists, the department shall distribute the commodities or the proceeds from the sale of the commodities on a prorated basis to the depositors. To the extent the commodities or the proceeds from their sale are inadequate to satisfy the claims of depositors with evidence of storage obligations, the depositors have a first priority lien against any proceeds received from commodities sold while under a storage obligation or against any commodities owned by the failed (~~warehouseman~~) warehouse operator or grain dealer.

(2) Depositors possessing written evidence of the sale of a commodity to the failed (~~warehouseman~~) warehouse operator or grain dealer, including but not limited to scale weight tickets, settlement sheets, deferred price contracts, or similar commodity delivery contracts, who have completed delivery and passed title during a thirty-day period immediately before the failure of the failed (~~warehouseman~~) warehouse operator or grain dealer have a second priority lien against the commodity, the proceeds of the sale, or warehouse-owned or grain dealer-owned commodities. If the commodity, commodity proceeds, or warehouse-owned or grain dealer-owned commodities are insufficient to wholly satisfy the claim of depositors possessing written evidence of the sale of the commodity to the failed (~~warehouseman~~) warehouse operator or grain dealer, each depositor shall receive a pro rata share thereof.

(3) Upon the satisfaction of the claims of depositors qualifying for first or second priority treatment, all other depositors possessing written evidence of the sale of the commodity to the failed (~~warehouseman~~) warehouse operator or grain dealer have a third priority lien against the commodity, the proceeds of the sale, or warehouse-owned or grain dealer-owned commodities. If the commodities, commodity proceeds, or warehouse-owned or grain dealer-owned commodities are insufficient to wholly satisfy these claims, each depositor shall receive a pro rata share thereof.

(4) The director of agriculture may represent depositors whom, under RCW 22.09.381, the director has determined have claims against the failed (~~warehouseman~~) warehouse operator or failed grain dealer in any action brought to enjoin or otherwise contest the distributions made by the director under this section.

Sec. 629. RCW 22.09.416 and 1987 c 509 s 9 are each amended to read as follows:

(1) Every licensed warehouse and grain dealer and every applicant for any such license shall pay assessments to the department for deposit in the grain indemnity fund according to the provisions of RCW 22.09.405 through 22.09.471 and rules promulgated by the department to implement this chapter.

(2) The rate of the assessments shall be established by rule, provided however, that no single assessment against a licensed warehouse or grain dealer or applicant for any such license shall exceed five percent of the bond amount

that would otherwise have been required of such grain dealer, (~~warehouseman~~) warehouse operator, or license applicant under RCW 22.09.090.

Sec. 630. RCW 22.09.436 and 1987 c 509 s 13 are each amended to read as follows:

(1) There is hereby created a grain indemnity fund advisory committee consisting of six members to be appointed by the director. The director shall make appointments to the committee no later than seven days following the date this section becomes effective pursuant to RCW 22.09.405. Of the initial appointments, three shall be for two-year terms and three shall be for three-year terms. Thereafter, appointments shall be for three-year terms, each term ending on the same day of the same month as did the term preceding it. Any member appointed to fill a vacancy occurring prior to the expiration of the term for which the member's predecessor was appointed shall hold office for the remainder of the predecessor's term.

(2) The committee shall be composed of two producers primarily engaged in the production of agricultural commodities, two licensed grain dealers, and two licensed grain (~~warehousemen~~) warehouse operators.

(3) The committee shall meet at such places and times as it shall determine and as often as necessary to discharge the duties imposed upon it. Each committee member shall be compensated in accordance with RCW 43.03.240 and shall be reimbursed for travel and subsistence expense under RCW 43.03.050 and 43.03.060. The expenses of the committee and its operation shall be paid from the grain indemnity fund.

(4) The committee shall have the power and duty to advise the director concerning assessments, administration of the grain indemnity fund, and payment of claims from the fund.

Sec. 631. RCW 22.09.441 and 1987 c 509 s 14 are each amended to read as follows:

In the event a grain dealer or warehouse fails, as defined in RCW 22.09.011(21), or otherwise fails to comply with the provisions of this chapter or rules promulgated hereunder, the department shall process the claims of depositors producing written evidence of ownership disclosing a storage obligation or written evidence of a sale of commodities for damages caused by the failure, in the following manner:

(1) The department shall give notice and provide a reasonable time, not to exceed thirty days, to depositors possessing written evidence of ownership disclosing a storage obligation or written evidence of sale of commodities to file their written verified claims with the department.

(2) The department may investigate each claim and determine whether the claimant's commodities are under a storage obligation or whether a sale of commodities has occurred. The department shall notify each claimant, the grain (~~warehouseman~~) warehouse operator or grain dealer, and the committee of the department's determination as to the validity and amount of each claimant's claim. A claimant, (~~warehouseman~~) warehouse operator, or grain dealer may request a hearing on the department's determination within twenty days of receipt of written notification and a hearing shall be held by the department pursuant to chapter 34.05 RCW. Upon determining the amount and validity of the claim, the director shall pay the claim from the grain indemnity fund.

(3) The department may inspect and audit a failed ~~((warehouseman))~~ warehouse operator, as defined by RCW 22.09.011(21) to determine whether the ~~((warehouseman))~~ warehouse operator has in his or her possession, sufficient quantities of commodities to cover his or her storage obligations. In the event of a shortage, the department shall determine each depositor's pro rata share of available commodities and the deficiency shall be considered as a claim of the depositor. Each type of commodity shall be treated separately for the purpose of determining shortages.

Sec. 632. RCW 22.09.446 and 1987 c 509 s 15 are each amended to read as follows:

If a depositor or creditor, after notification, refuses or neglects to file in the office of the director his or her verified claim against a ~~((warehouseman))~~ warehouse operator or grain dealer as requested by the director within thirty days from the date of the request, the director shall thereupon be relieved of responsibility for taking action with respect to such claim later asserted and no such claim shall be paid from the grain indemnity fund.

Sec. 633. RCW 22.09.451 and 1987 c 509 s 16 are each amended to read as follows:

Subject to the provisions of RCW 22.09.456 and 22.09.461 and to a maximum payment of seven hundred fifty thousand dollars on all claims against a single licensee, approved claims against a licensed ~~((warehouseman))~~ warehouse operator or licensed grain dealer shall be paid from the grain indemnity fund in the following amounts:

(1) Approved claims against a licensed ~~((warehouseman))~~ warehouse operator shall be paid in full;

(2) Approved claims against a licensed grain dealer for payments due within thirty days of transfer of title shall be paid in full for the first twenty-five thousand dollars of the claim. The amount of such a claim in excess of twenty-five thousand dollars shall be paid to the extent of eighty percent;

(3) Approved claims against a licensed grain dealer for payments due between thirty and ninety days of transfer of title shall be paid to the extent of eighty percent;

(4) Approved claims against a licensed grain dealer for payments due after ninety days from transfer of title shall be paid to the extent of seventy-five percent;

(5) In the event that approved claims against a single licensee exceed seven hundred fifty thousand dollars, recovery on those claims shall be prorated.

Sec. 634. RCW 22.09.466 and 1987 c 509 s 19 are each amended to read as follows:

Amounts paid from the grain indemnity fund in satisfaction of any approved claim shall constitute a debt and obligation of the grain dealer or ~~((warehouseman))~~ warehouse operator against whom the claim was made. On behalf of the grain indemnity fund, the director may bring suit, file a claim, or intervene in any legal proceeding to recover from the grain dealer or ~~((warehouseman))~~ warehouse operator the amount of the payment made from the grain indemnity fund, together with costs and attorneys' fees incurred. In instances where the superior court is the appropriate forum for a recovery action,

the director may elect to institute the action in the superior court of Thurston county.

Sec. 635. RCW 22.09.471 and 1987 c 509 s 20 are each amended to read as follows:

The department may deny, suspend, or revoke the license of any grain dealer or ((warehouseman)) warehouse operator who fails to timely pay assessments to the grain indemnity fund or against whom a claim has been made, approved, and paid from the grain indemnity fund. Proceedings for the denial, suspension, or revocation shall be subject to the provisions of chapter 34.05 RCW.

Sec. 636. RCW 22.09.570 and 1987 c 509 s 5 are each amended to read as follows:

The director may bring action upon the bond of a ((warehouseman)) warehouse operator or grain dealer against both principal against whom a claim has been made and the surety in any court of competent jurisdiction to recover the damages caused by any failure to comply with the provisions of this chapter or the rules adopted hereunder. Recovery for damages against a ((warehouseman)) warehouse operator or grain dealer on a bond furnished under RCW 22.09.095 shall be limited to the bond amount that would be required for that ((warehouseman)) warehouse operator or grain dealer under RCW 22.09.090.

Sec. 637. RCW 22.09.580 and 1983 c 305 s 57 are each amended to read as follows:

If a depositor creditor after notification fails, refuses, or neglects to file in the office of the director his or her verified claim against a ((warehouseman)) warehouse operator or grain dealer bond as requested by the director within thirty days from the date of the request, the director shall thereupon be relieved of further duty or action under this chapter on behalf of the depositor creditor.

Sec. 638. RCW 22.09.590 and 1983 c 305 s 58 are each amended to read as follows:

Where by reason of the absence of records or other circumstances making it impossible or unreasonable for the director to ascertain the names and addresses of all the depositor creditors, the director after exerting due diligence and making reasonable inquiry to secure that information from all reasonable and available sources, may make demand on a ((warehouseman's)) warehouse operator's or grain dealer's bond on the basis of information then in his or her possession, and thereafter shall not be liable or responsible for claims or the handling of claims that may subsequently appear or be discovered.

Sec. 639. RCW 22.09.600 and 1983 c 305 s 59 are each amended to read as follows:

Upon ascertaining all claims and statements in the manner set forth in this chapter, the director may then make demand upon the ((warehouseman's)) warehouse operator's or grain dealer's bond on behalf of those claimants whose claims and statements have been filed, and has the power to settle or compromise the claims with the surety company on the bond, and is empowered in such cases to execute and deliver a release and discharge of the bond involved.

Sec. 640. RCW 22.09.610 and 1987 c 509 s 6 are each amended to read as follows:

Upon the refusal of the surety company to pay the demand, the director may thereupon bring an action on the ((~~warehouseman's~~) warehouse operator's) or grain dealer's bond in behalf of the depositor creditors. Upon any action being commenced on the bond, the director may require the filing of a new bond, and immediately upon the recovery in any action on the bond, a new bond shall be filed. The failure to file the new bond or otherwise satisfy the security requirements of this chapter within ten days in either case constitutes grounds for the suspension or revocation of the license of any principal on the bond.

Sec. 641. RCW 22.09.615 and 1983 c 305 s 53 are each amended to read as follows:

(1) If no action is commenced under RCW 22.09.570 within thirty days after written demand to the department, any depositor injured by the failure of a licensee to comply with the condition of his or her bond has a right of action upon the licensee's bond for the recovery of his or her damages. The depositor shall give the department immediate written notice of the commencement of any such action.

(2) Recovery under the bond shall be prorated when the claims exceed the liability under the bond.

(3) Whenever the claimed shortage exceeds the amount of the bond, it is not necessary for any depositor suing on the bond to join other depositors in the suit, and the burden of establishing proration is on the surety as a matter of defense.

Sec. 642. RCW 22.09.620 and 1983 c 305 s 62 are each amended to read as follows:

Every ((~~warehouseman~~) warehouse operator) or grain dealer must pay for agricultural commodities purchased by him or her at the time and in the manner specified in the contract with the depositor, but if no time is set by the contract, then within thirty days after taking possession for purpose of sale or taking title of the agricultural product.

Sec. 643. RCW 22.09.660 and 2003 c 13 s 1 are each amended to read as follows:

Upon determining that an emergency storage situation appears to exist, the director may authorize the ((~~warehouseman~~) warehouse operator) to forward grain that is covered by negotiable receipts to other licensed warehouses for storage without canceling and reissuing the negotiable receipts pursuant to conditions established by rule.

Sec. 644. RCW 22.09.780 and 1989 c 354 s 51 are each amended to read as follows:

(1) In case any owner, consignee, or shipper of any commodity included under the provisions of this chapter, or his or her agent or broker, or any ((~~warehouseman~~) warehouse operator) shall be aggrieved at the grading of such commodity, the person may request a reinspection or appeal inspection within three business days from the date of certificate. The reinspection or appeal may be based in the official file sample or upon a new sample drawn from the lot of the grain or commodity if the lot remains intact and available for sampling. The reinspection or appeal inspection shall be of the same factors and scope as the original inspection.

(2) For commodities inspected under federal standards, the reinspection and appeal inspection procedure provided in the applicable federal regulations shall apply. For commodities inspected under state standards, the department shall provide a minimum of a reinspection and appeal inspection service. The reinspection shall consist of a full review of all relevant information and a reexamination of the commodity to determine the correctness of the grade assigned or other determination. The reinspection shall be performed by an authorized inspector of the department other than the inspector who performed the original inspection unless no other inspector is available. An appeal inspection shall be performed by a supervisory inspector.

(3) If the grading of any commodity for which federal standards have been fixed and the same adopted as official state standards has not been the subject of a hearing, in accordance with subsection (2) of this section, any interested party who is aggrieved with the grading of such commodity, may, with the approval of the secretary of the United States department of agriculture, appeal to the federal grain supervisor of the supervision district in which the state of Washington may be located. Such federal grain supervisor shall confer with the department inspectors and any other interested party and shall make such tests as he or she may deem necessary to determine the correct grade of the commodity in question. Such federal grade certificate shall be prima facie evidence of the correct grade of the commodity in any court in the state of Washington.

Sec. 645. RCW 22.09.790 and 1963 c 124 s 46 are each amended to read as follows:

(1) The department shall fix the fees for inspection, grading, and weighing of the commodities included under the provisions of this chapter, which fees shall be sufficient to cover the cost of such service. The fees for inspection, weighing, and grading of such commodities shall be a lien upon the commodity so weighed, graded, or inspected which the department may require to be paid by the carrier or agent transporting the same and treated by it as an advanced charge, except when the bill of lading contains the notation "not for terminal weight and grade," and the commodity is not unloaded at a terminal warehouse.

(2) The department is authorized to make any tests relating to grade or quality of commodities covered by this chapter. The department may inspect and approve facilities and vessels to be used in transporting such commodities and provide any other necessary services. It may fix and charge a reasonable fee to be collected from the person or his or her agent requesting such service.

(3) The department shall so adjust the fees to be collected under this chapter as to meet the expenses necessary to carry out the provisions hereof, and may prescribe a different scale of fees for different localities. The department may also prescribe a reasonable charge for service performed at places other than terminal warehouses in addition to the regular fees when necessary to avoid rendering the services at a loss to the state.

Sec. 646. RCW 22.09.800 and 1963 c 124 s 47 are each amended to read as follows:

If any terminal warehouse at inspection points is provided with proper scales and weighing facilities, the department may weigh the commodity upon the scales so provided. The department at least once each year shall cause to be examined, tested, and corrected, all scales used in weighing commodities in any

of the cities designated as inspection points in this chapter or such places as may be hereinafter designated, and after such scale is tested, if found to be correct and in good condition, to seal the weights with a seal provided for that purpose and issue to the owner or proprietor a certificate authorizing the use of such scales for weighing commodities for the ensuing year, unless sooner revoked by the department. If such scales be found to be inaccurate or unfit for use, the department shall notify the party operating or using them, and the party thus notified shall, at his or her own expense, thoroughly repair the same before attempting to use them and until thus repaired or modified to the satisfaction of the department the certificate of such party shall be suspended or revoked at the discretion of the department. The party receiving such certificate shall pay to the department a reasonable fee for such inspection and certificate to be fixed by the department. It shall be the duty of the department to see that the provisions of this section are strictly enforced.

Sec. 647. RCW 22.09.810 and 1963 c 124 s 48 are each amended to read as follows:

In case any commodity under the provisions of this chapter is sold for delivery on Washington grade to be shipped to or from places not provided with state inspection under this chapter, the buyer, seller, or persons making delivery may have it inspected by notifying the department or its inspectors, whose duty it shall be to have such commodity inspected, and after it is inspected, to issue to the buyer, seller, or person delivering it, without undue delay, a certificate showing the grade of such commodity. The person or persons, or his or her agent, calling for such inspection shall pay for such inspection a reasonable fee to be fixed by the department.

Sec. 648. RCW 22.09.820 and 1963 c 124 s 49 are each amended to read as follows:

When commodities are shipped to points where inspection is provided and the bill of lading does not contain the notation "not for terminal weight and grade" and the commodity is unloaded by or on account of the consignee or his or her assignee without being inspected or weighed by a duly authorized inspector under the provisions of this chapter, the shipper's weight and grade shall be conclusive and final and shall be the weight and grade upon which settlement shall be made with the seller, and the consignee or his or her assignee, by whom such commodities are so unlawfully unloaded shall be liable to the seller thereof for liquidated damages in an amount equal to ten percent of the sale price of such commodities computed on the basis of the shipper's weight and grade.

Sec. 649. RCW 22.09.860 and 1963 c 124 s 27 are each amended to read as follows:

All railroad companies and (~~warehousemen~~) warehouse operators operating in the cities provided for inspection by this chapter shall furnish ample and sufficient police protection to all their several terminal yards and terminal tracks to securely protect all cars containing commodities while the same are in their possession. They shall prohibit and restrain all unauthorized persons, whether under the guise of sweepers, or under any other pretext whatever, from entering or loitering in or about their railroad yards or tracks and from entering any car of commodities under their control, or removing commodities therefrom,

and shall employ and detail such number of watchmen as may be necessary for the purpose of carrying out the provisions of this section.

Sec. 650. RCW 22.28.020 and 1983 c 3 s 26 are each amended to read as follows:

Whenever any safe deposit company shall take or receive as bailee for hire and for safekeeping or storage any jewelry, plate, money, specie, bullion, stocks, bonds, mortgages, securities, or valuable paper of any kind, or other valuable personal property, and shall have issued a receipt therefor, it shall be deemed to be a (~~warehouseman~~) warehouse operator as to such property and the provisions of Article 7 of the Uniform Commercial Code, Title 62A RCW, shall apply to such deposit, or to the proceeds thereof, to the same extent and with the same effect, and be enforceable in the same manner as is now provided with reference to (~~warehousemen~~) warehouse operators in said act.

Sec. 651. RCW 22.28.040 and 1983 c 289 s 1 are each amended to read as follows:

If the amount due for the rental of any safe or box in the vaults of any safe deposit company shall not have been paid for one year, it may, at the expiration thereof, send to the person in whose name such safe or box stands on its books a notice in writing in securely closed, postpaid and certified mail, return receipt requested, directed to such person at his or her post office address, as recorded upon the books of the safe deposit company, notifying such person that if the amount due for the rental of such safe or box is not paid within thirty days from date, the safe deposit company will then cause such safe or box to be opened, and the contents thereof to be inventoried, sealed, and placed in one of its general safes or boxes.

Upon the expiration of thirty days from the date of mailing such notice, and the failure of the person in whose name the safe or box stands on the books of the company to pay the amount due for the rental thereof to the date of notice, the corporation may, in the presence of two officers of the corporation, cause such safe or box to be opened, and the contents thereof, if any, to be removed, inventoried and sealed in a package, upon which the officers shall distinctly mark the name of the person in whose name the safe or box stood on the books of the company, and the date of removal of the property, and when such package has been so marked for identification by the officers, it shall be placed in one of the general safes or boxes of the company at a rental not to exceed the original rental of the safe or box which was opened, and shall remain in such general safe or box for a period of not less than one year, unless sooner removed by the owner thereof, and two officers of the corporation shall thereupon file with the company a certificate which shall fully set out the date of the opening of such safe or box, the name of the person in whose name it stood and a reasonable description of the contents, if any.

A copy of such certificate shall within ten days thereafter be mailed to the person in whose name the safe or box so opened stood on the books of the company, at his or her last known post office address, in securely closed, postpaid and certified mail, return receipt requested, together with a notice that the contents will be kept, at the expense of such person, in a general safe or box in the vaults of the company, for a period of not less than one year. At any time after the mailing of such certificate and notice, and before the expiration of one

year, such person may require the delivery of the contents of the safe as shown by said certificate, upon the payment of all rentals due at the time of opening of the safe or box, the cost of opening the box, and the payment of all further charges accrued during the period the contents remained in the general safe or box of the company.

The company may sell all the property or articles of value set out in said certificate, at public auction, provided a notice of the time and place of sale has been published once within ten days prior to the sale in a newspaper published in the county where the contents of the safe or box (~~(his)~~) is located and where the holder chooses to conduct the sale. If the holder chooses not to sell the contents at public sale, the contents shall be delivered to the department of revenue as unclaimed property.

From the proceeds of the sale, the company shall deduct amounts which shall then be due for rental up to the time of opening the safe, the cost of opening thereof, and the further cost of safekeeping all of its contents for the period since the safe or box was opened, plus any additional charges accruing to the time of sale, including advertising and cost of sale. The balance, if any, of such proceeds, together with any unsold property, shall be deposited by the company within thirty days after the receipt of the same, with the department of revenue as unclaimed property. The company shall file with such deposit a certificate stating the name and last known place of residence of the owner of the property sold, the articles sold, the price obtained therefor, and showing that the notices herein required were duly mailed and that the sale was advertised as required herein.

Sec. 652. RCW 22.32.020 and 1909 c 249 s 392 are each amended to read as follows:

Every person or corporation engaged wholly or in part in the business of a common carrier or (~~warehouseman~~) warehouse operator, and every officer, agent or employee thereof, who shall issue any bill of lading, receipt or other voucher by which it shall appear that any goods, wares or merchandise have been received by such carrier or (~~warehouseman~~) warehouse operator, unless the same have been so received and shall be at the time actually under his or her control, or who shall issue any bill of lading, receipt or voucher containing any false statement concerning any material matter, shall be guilty of a gross misdemeanor. But no person shall be convicted under this section for the reason that the contents of any barrel, box, case, cask or other closed vessel or package mentioned in the bill of lading, receipt or voucher did not correspond with the description thereof in such instrument, if such description corresponds substantially with the mark on the outside of such barrel, box, case, cask, vessel or package, unless it appears that the defendant knew that such marks were untrue.

Sec. 653. RCW 22.32.030 and 1909 c 249 s 393 are each amended to read as follows:

Every person mentioned in RCW 22.32.020, who shall fraudulently mix or tamper with any goods, wares or merchandise under his or her control, shall be guilty of a gross misdemeanor.

Sec. 654. RCW 23.86.085 and 1989 c 307 s 11 are each amended to read as follows:

The directors shall elect a president and one or more vice presidents, who need not be directors. If the president and vice presidents are not members of the board of directors, the directors shall elect from their number a ~~((chairman))~~ chair of the board of directors and one or more ~~((vice-chairmen))~~ vice chairs. They shall also elect a secretary and treasurer, who need not be directors, and they may combine the two offices and designate the combined office as secretary-treasurer. The treasurer may be a bank or any depository, and as such shall not be considered an officer but a function of the board of directors. In such case, the secretary shall perform the usual accounting duties of the treasurer, except that the funds shall be deposited only as authorized by the board of directors.

Sec. 655. RCW 24.03.105 and 1986 c 240 s 17 are each amended to read as follows:

Any vacancy occurring in the board of directors and any directorship to be filled by reason of an increase in the number of directors may be filled by the affirmative vote of a majority of the remaining board of directors even though less than a quorum is present unless the articles of incorporation or the bylaws provide that a vacancy or directorship so created shall be filled in some other manner, in which case such provision shall control. A director elected or appointed, as the case may be, to fill a vacancy shall be elected or appointed for the unexpired term of his or her predecessor in office.

Sec. 656. RCW 24.03.115 and 1986 c 240 s 20 are each amended to read as follows:

If the articles of incorporation or the bylaws so provide, the board of directors, by resolution adopted by a majority of the directors in office, may designate and appoint one or more committees each of which shall consist of two or more directors, which committees, to the extent provided in such resolution, in the articles of incorporation or in the bylaws of the corporation, shall have and exercise the authority of the board of directors in the management of the corporation: PROVIDED, That no such committee shall have the authority of the board of directors in reference to amending, altering, or repealing the bylaws; electing, appointing, or removing any member of any such committee or any director or officer of the corporation; amending the articles of incorporation; adopting a plan of merger or adopting a plan of consolidation with another corporation; authorizing the sale, lease, or exchange of all or substantially all of the property and assets of the corporation not in the ordinary course of business; authorizing the voluntary dissolution of the corporation or revoking proceedings therefor; adopting a plan for the distribution of the assets of the corporation; or amending, altering, or repealing any resolution of the board of directors which by its terms provides that it shall not be amended, altered, or repealed by such committee. The designation and appointment of any such committee and the delegation thereto of authority shall not operate to relieve the board of directors, or any individual director of any responsibility imposed upon it or him or her by law.

Sec. 657. RCW 24.03.230 and 2004 c 265 s 24 are each amended to read as follows:

A plan providing for the distribution of assets, not inconsistent with the provisions of this chapter, may be adopted by a corporation in the process of

dissolution and shall be adopted by a corporation for the purpose of authorizing any transfer or conveyance of assets for which this chapter requires a plan of distribution, in the following manner:

(1) Where there are members having voting rights, the board of directors shall adopt a resolution recommending a plan of distribution and directing the submission thereof to a vote at a meeting of members having voting rights, which may be either an annual or a special meeting. Notice in the form of a record setting forth the proposed plan of distribution or a summary thereof shall be given to each member entitled to vote at such meeting, within the time and in the manner provided in this chapter for the giving of notice of meetings of members. Such plan of distribution shall be adopted upon receiving at least two-thirds of the votes which members present at such meeting or represented by proxy are entitled to cast.

(2) Where there are no members, or no members having voting rights, a plan of distribution shall be adopted at a meeting of the board of directors upon receiving a vote of a majority of the directors in office.

If the plan of distribution includes assets received and held by the corporation subject to limitations described in subsection (3) of RCW 24.03.225, notice of the adoption of the proposed plan shall be submitted to the attorney general by registered or certified mail directed to him or her at his or her office in Olympia, at least twenty days prior to the meeting at which the proposed plan is to be adopted. No plan for the distribution of such assets may be adopted without the approval of the attorney general, or the approval of a court of competent jurisdiction in a proceeding to which the attorney general is made a party. In the event that an objection is not filed within twenty days after the date of mailing, his or her approval shall be deemed to have been given.

Sec. 658. RCW 24.03.350 and 1986 c 240 s 48 are each amended to read as follows:

The registered agent so appointed by a foreign corporation authorized to conduct affairs in this state shall be an agent of such corporation upon whom any process, notice or demand required or permitted by law to be served upon the corporation may be served.

Whenever a foreign corporation authorized to conduct affairs in this state shall fail to appoint or maintain a registered agent in this state, or whenever any such registered agent cannot with reasonable diligence be found at the registered office, or whenever the certificate of authority of a foreign corporation shall be suspended or revoked, then the secretary of state shall be an agent of such corporation upon whom any such process, notice, or demand may be served. Service on the secretary of state of any such process, notice, or demand shall be made by delivering to and leaving with the secretary of state, or with any duly authorized clerk of the corporation department of the secretary of state's office, duplicate copies of such process, notice or demand. In the event any such process, notice, or demand is served on the secretary of state, the secretary of state shall immediately cause one of such copies thereof to be forwarded by certified mail, addressed to the secretary of the corporation as shown on the records of the secretary of state. Any service so had on the secretary of state shall be returnable in not less than thirty days.

The secretary of state shall keep a record of all processes, notices, and demands served upon the secretary of state under this section, and shall record therein the time of such service and his or her action with reference thereto.

Nothing herein contained shall limit or affect the right to serve any process, notice, or demand, required or permitted by law to be served upon a corporation in any other manner now or hereafter permitted by law.

Sec. 659. RCW 24.03.415 and 1967 c 235 s 84 are each amended to read as follows:

Any money received by the secretary of state under the provisions of this chapter shall be by him or her paid into the state treasury as provided by law.

Sec. 660. RCW 24.06.025 and 2001 c 271 s 2 are each amended to read as follows:

The articles of incorporation shall set forth:

- (1) The name of the corporation.
- (2) The period of duration, which may be perpetual or for a stated number of years.
- (3) The purpose or purposes for which the corporation is organized.
- (4) The qualifications and the rights and responsibilities of the members and the manner of their election, appointment, or admission to membership and termination of membership; and, if there is more than one class of members or if the members of any one class are not equal, the relative rights and responsibilities of each class or each member.
- (5) If the corporation is to have capital stock:
 - (a) The aggregate number of shares which the corporation shall have authority to issue; if such shares are to consist of one class only, the par value of each of such shares, or a statement that all of such shares are without par value; or, if such shares are to be divided into classes, the number of shares of each class, and a statement of the par value of the shares of each such class or that such shares are to be without par value;
 - (b) If the shares are to be divided into classes, the designation of each class and a statement of the preferences, limitations, and relative rights in respect of the shares of each class;
 - (c) If the corporation is to issue the shares of any preferred or special class in series, then the designation of each series and a statement of the variations in the relative rights and preferences as between series insofar as the same are to be fixed in the articles of incorporation, and a statement of any authority to be vested in the board of directors to establish series and fix and determine the variations in the relative rights and preferences as between series;
 - (d) Any provision limiting or denying to shareholders the preemptive right to acquire additional shares of the corporation.
- (6) If the corporation is to distribute surplus funds to its members, stockholders, or other persons, provisions for determining the amount and time of the distribution.
- (7) Provisions for distribution of assets on dissolution or final liquidation.
- (8) Whether a dissenting shareholder or member shall be limited to a return of less than the fair value of his or her shares or membership.
- (9) The address of its initial registered office, including street and number, and the name of its initial registered agent at such address.

(10) The number of directors constituting the initial board of directors, and the names and addresses of the persons who are to serve as the initial directors.

(11) The name and address of each incorporator.

(12) Any provision, not inconsistent with law, for the regulation of the internal affairs of the association, including:

(a) Overriding the release from liability provided in RCW 24.06.035(2); and

(b) Any provision which under this title is required or permitted to be set forth in the bylaws.

It shall not be necessary to set forth in the articles of incorporation any of the corporate powers enumerated in this chapter.

Unless the articles of incorporation provide that a change in the number of directors shall be made only by amendment to the articles of incorporation, a change in the number of directors made by amendment to the bylaws shall be controlling. In all other cases, whenever a provision of the articles of incorporation is inconsistent with a bylaw, the provision of the articles of incorporation shall be controlling.

Sec. 661. RCW 24.06.055 and 1993 c 356 s 16 are each amended to read as follows:

A corporation may change its registered office or change its registered agent, or both, upon filing in the office of the secretary of state a statement in the form prescribed by the secretary of state setting forth:

(1) The name of the corporation.

(2) If the address of its registered office is to be changed, the address to which the registered office is to be changed, including street and number.

(3) If the current registered agent is to be changed, the name of its successor registered agent.

(4) That the address of its registered office and the address of the office of its registered agent, as changed, will be identical.

Such statement shall be executed by the corporation by an officer of the corporation, and delivered to the secretary of state, together with a written consent of the registered office to his, her, or its appointment, if applicable. If the secretary of state finds that such statement conforms to the provisions of this chapter, the secretary of state shall file such statement, and upon such filing, the change of address of the registered office, or the appointment of a new registered agent, or both, as the case may be, shall become effective.

Any registered agent of a corporation may resign as such agent upon filing a written notice thereof, executed in duplicate, with the secretary of state, who shall forthwith mail a copy thereof to the corporation in care of an officer, who is not the resigning registered agent, at the address of such officer as shown by the most recent annual report of the corporation. The appointment of such agent shall terminate upon the expiration of thirty days after receipt of such notice by the secretary of state.

Sec. 662. RCW 24.06.070 and 1969 ex.s. c 120 s 14 are each amended to read as follows:

(1) Each corporation which is organized with capital stock shall have the power to create and issue the number of shares stated in its articles of incorporation. Such shares may be divided into one or more classes, any or all of which classes may consist of shares with par value or shares without par

value, with such designations, preferences, limitations, and relative rights as shall be stated in the articles of incorporation. The articles of incorporation may limit or deny the voting rights of or provide special voting rights for the shares of any class to the extent not inconsistent with the provisions of this chapter.

(2) Without limiting the authority herein contained, a corporation, when so provided in its articles of incorporation, may issue shares of preferred or special classes:

(a) Subject to the right of the corporation to redeem any of such shares at the price fixed by the articles of incorporation for the redemption thereof.

(b) Entitling the holders thereof to cumulative, noncumulative, or partially cumulative dividends.

(c) Having preference over any other members or class or classes of shares as to the payment of dividends.

(d) Having preference in the assets of the corporation over any other members or class or classes of shares upon the voluntary or involuntary liquidation of the corporation.

(3) The consideration for the issuance of shares may be paid in whole or in part, in money, in other property, tangible or intangible, or in labor or services actually performed for the corporation. When payment of the consideration for which shares are to be issued shall have been received by the corporation, such shares shall be deemed to be fully paid and nonassessable.

Neither promissory notes nor future services shall constitute payment or part payment, for shares of a corporation.

In the absence of fraud in the transaction, the judgment of the board of directors or the shareholders, as the case may be, as to the value of the consideration received for shares shall be conclusive.

(4) A subscription for shares of a corporation to be organized shall be in writing and be irrevocable for a period of six months, unless otherwise provided by the terms of the subscription agreement or unless all of the subscribers consent to the revocation of such subscription.

Unless otherwise provided in the subscription agreement, subscriptions for shares, whether made before or after the organization of a corporation, shall be paid in full at such time, or in such installments and at such times, as shall be determined by the board of directors. Any call made by the board of directors for payment on subscriptions shall be uniform as to all shares of the same class or as to all shares of the same series, as the case may be. In case of default in the payment of any installment or call when such payment is due, the corporation may proceed to collect the amount due in the same manner as any debt due the corporation. The bylaws may prescribe other penalties for failure to pay installments or calls that may become due, but no penalty working a forfeiture of a subscription, or of the amounts paid thereon, shall be declared as against any subscriber unless the amount due thereon shall remain unpaid for a period of twenty days after written demand has been made therefor. If mailed, such written demand shall be deemed to be made when deposited in the United States mail in a sealed envelope addressed to the subscriber at his or her last post office address known to the corporation, with postage thereon prepaid. In the event of the sale of any shares by reason of any forfeiture, the excess of proceeds realized over the amount due and unpaid on such shares shall be paid to the delinquent subscriber or to his or her legal representative.

Sec. 663. RCW 24.06.080 and 1969 ex.s. c 120 s 16 are each amended to read as follows:

The shares of a corporation shall be represented by certificates signed by the president or vice president and the secretary or an assistant secretary of the corporation, and may be sealed with the seal of the corporation or a facsimile thereof. The signatures of the president or vice president and the secretary or assistant secretary upon a certificate may be facsimiles if the certificate is countersigned by a transfer agent, or registered by a registrar, other than the corporation itself or an employee of the corporation. In case any officer who has signed or whose facsimile signature has been placed upon such certificate shall have ceased to be such officer before such certificate is issued, it may be issued by the corporation with the same effect as if he or she were such officer at the date of its issue.

Every certificate representing shares issued by a corporation which is authorized to issue shares of more than one class shall set forth upon the face or back of the certificate, or shall state that the corporation will furnish to any shareholder upon request and without charge, a full statement of the designations, preferences, limitations, and relative rights of the shares of each class authorized to be issued and, if the corporation is authorized to issue any preferred or special class in series, the variations in the relative rights and preferences between the shares of each such series so far as the same have been fixed and determined and the authority of the board of directors to fix and determine the relative rights and preferences of subsequent series.

Each certificate representing shares shall state upon the face thereof:

- (1) That the corporation is organized under the laws of this state.
- (2) The name of the person to whom issued.
- (3) The number and class of shares, and the designation of the series, if any, which such certificate represents.
- (4) The par value of each share represented by such certificate, or a statement that the shares are without par value.

No certificate shall be issued for any share until such share is fully paid.

Sec. 664. RCW 24.06.085 and 1969 ex.s. c 120 s 17 are each amended to read as follows:

A holder of or subscriber to shares of a corporation shall be under no obligation to the corporation or its creditors with respect to such shares other than the obligation to pay to the corporation the full consideration for which such shares were issued or to be issued.

Any person becoming an assignee or transferee of shares or of a subscription for shares in good faith and without knowledge or notice that the full consideration therefor has not been paid shall not be personally liable to the corporation or its creditors for any unpaid portion of such consideration.

An executor, administrator, conservator, guardian, trustee, assignee for the benefit of creditors, or receiver shall not be personally liable to the corporation as a holder of or subscriber to shares of a corporation but the estate and funds in his or her hands shall be so liable.

No pledgee or other holder of shares as collateral security shall be personally liable as a shareholder.

Sec. 665. RCW 24.06.130 and 1969 ex.s. c 120 s 26 are each amended to read as follows:

The number of directors of a corporation shall be not less than three and shall be fixed by the bylaws: PROVIDED, That the number of the first board of directors shall be fixed by the articles of incorporation. The number of directors may be increased or decreased from time to time by amendment to the bylaws, unless the articles of incorporation provide that a change in the number of directors shall be made only by amendment of the articles of incorporation. No decrease in number shall have the effect of shortening the term of any incumbent director. In the absence of a bylaw fixing the number of directors, the number shall be the same as that stated in the articles of incorporation.

The directors constituting the first board of directors shall be named in the articles of incorporation and shall hold office until the first annual election of directors or for such other period as may be specified in the articles of incorporation or the bylaws. Thereafter, directors shall be elected or appointed in the manner and for the terms provided in the articles of incorporation or the bylaws. In the absence of a provision fixing the term of office, the term of office of a director shall be one year.

Directors may be divided into classes and the terms of office of the several classes need not be uniform. Each director shall hold office for the term for which he or she is elected or appointed and until his or her successor shall have been elected or appointed and qualified.

A director may be removed from office pursuant to any procedure therefor provided in the articles of incorporation.

Sec. 666. RCW 24.06.135 and 1969 ex.s. c 120 s 27 are each amended to read as follows:

Any vacancy occurring in the board of directors and any directorship to be filled by reason of an increase in the number of directors may be filled by the board of directors unless the articles of incorporation or the bylaws provide that a vacancy or directorship so created shall be filled in some other manner. A director elected or appointed, as the case may be, to fill a vacancy, shall be elected or appointed for the unexpired term of his or her predecessor in office.

Sec. 667. RCW 24.06.145 and 1969 ex.s. c 120 s 29 are each amended to read as follows:

If the articles of incorporation or the bylaws so provide, the board of directors, by resolution adopted by a majority of the directors in office, may designate and appoint one or more committees each of which shall consist of two or more directors, which committees, to the extent provided in such resolution, in the articles of incorporation, or in the bylaws of the corporation, shall have and exercise the authority of the board of directors in the management of the corporation: PROVIDED, That no such committee shall have the authority of the board of directors in reference to:

- (1) Amending, altering, or repealing the bylaws;
- (2) Electing, appointing, or removing any member of any such committee or any director or officer of the corporation;
- (3) Amending the articles of incorporation;
- (4) Adopting a plan of merger or a plan of consolidation with another corporation;

(5) Authorizing the sale, lease, exchange, or mortgage, of all or substantially all of the property and assets of the corporation;

(6) Authorizing the voluntary dissolution of the corporation or revoking proceedings therefor; or

(7) Amending, altering, or repealing any resolution of the board of directors which by its terms provides that it shall not be amended, altered, or repealed by such committee.

The designation and appointment of any such committee and the delegation thereto of authority shall not operate to relieve the board of directors, or any individual director of any responsibility imposed upon it or him or her by law.

Sec. 668. RCW 24.06.160 and 1969 ex.s. c 120 s 32 are each amended to read as follows:

Each corporation shall keep correct and complete books and records of account and shall keep minutes of the proceedings of its members, shareholders, board of directors, and committees having any of the authority of the board of directors; and shall keep at its registered office or principal office in this state a record of the names and addresses of its members and shareholders entitled to vote. All books and records of a corporation may be inspected by any member or shareholder, or his or her agent or attorney, for any proper purpose at any reasonable time.

Sec. 669. RCW 24.06.470 and 1969 ex.s. c 120 s 94 are each amended to read as follows:

Each director and officer of a corporation, domestic or foreign, who fails or refuses within the time prescribed by this chapter, to answer truthfully and fully any interrogatories propounded to him or her by the secretary of state in accordance with the provisions of this chapter, or who signs any articles, statement, report, application, or other document filed with the secretary of state, which is known to such officer or director to be false in any material respect, shall be deemed to be guilty of a misdemeanor, and upon conviction thereof shall be fined in an amount not to exceed five hundred dollars on each count.

Sec. 670. RCW 24.06.475 and 1982 c 35 s 157 are each amended to read as follows:

The secretary of state may propound to any corporation, domestic or foreign, subject to the provisions of this chapter, and to any officer or director thereof such interrogatories as may be reasonably necessary and proper to enable the secretary of state to ascertain whether such corporation has complied with all of the provisions of this chapter applicable to such corporation. All such interrogatories shall be answered within thirty days after the mailing thereof, or within such additional time as shall be fixed by the secretary of state, and the answers thereto shall be full and complete, made in writing, and under oath. If such interrogatories are directed to an individual, they shall be answered personally by him or her, and if directed to the corporation they shall be answered by the president, a vice president, a secretary or any assistant secretary thereof. The secretary of state need not file any document to which such interrogatories relate until such interrogatories are answered as required by this section, and even not then if the answers thereto disclose that the document is not in conformity with the provisions of this chapter.

The secretary of state shall certify to the attorney general, for such action as the attorney general may deem appropriate, all interrogatories and answers thereto which disclose a violation of any of the provisions of this chapter.

Sec. 671. RCW 24.12.010 and 1915 c 79 s 1 are each amended to read as follows:

Any person, being the bishop, overseer, or presiding elder of any church or religious denomination in this state, may, in conformity with the constitution, canons, rules, regulations, or discipline of such church or denomination, become a corporation sole, in the manner prescribed in this chapter, as nearly as may be; and, thereupon, said bishop, overseer, or presiding elder, as the case may be, together with his or her successors in office or position, by his or her official designation, shall be held and deemed to be a body corporate, with all the rights and powers prescribed in the case of corporations aggregate; and with all the privileges provided by law for religious corporations.

Sec. 672. RCW 24.12.030 and 1981 c 302 s 10 are each amended to read as follows:

Articles of incorporation shall be filed in like manner as provided by law for corporations aggregate, and therein shall be set forth the facts authorizing such incorporation, and declare the manner in which any vacancy occurring in the incumbency of such bishop, overseer, or presiding elder, as the case may be, is required by the constitution, canons, rules, regulations, or discipline of such church or denomination to be filled, which statement shall be verified by affidavit, and for proof of the appointment or election of such bishop, overseer, or presiding elder, as the case may be, or any succeeding incumbent of such corporation, it shall be sufficient to file with the secretary of state the original or a copy of his or her commission, or certificate, or letters of election or appointment, duly attested: PROVIDED, All property held in such official capacity by such bishop, overseer, or presiding elder, as the case may be, shall be in trust for the use, purpose, benefit, and behoof of his or her religious denomination, society, or church.

Sec. 673. RCW 24.28.040 and 1959 c 207 s 2 are each amended to read as follows:

No person, doing business in this state shall be entitled to use or to register the term "grange" as part or all of his or her business name or other name or in connection with his or her products or services, or otherwise, unless either (1) he or she has complied with the provisions of this chapter or (2) he or she has obtained written consent of the Washington state grange certified thereto by its master. Any person violating the provisions of this section may be enjoined from using or displaying such name and doing business under such name at the instance of the Washington state grange or any grange organized under this chapter, or any member thereof: PROVIDED, That nothing herein shall prevent the continued use of the term "grange" by any person using said name prior to the adoption of this act.

For the purposes of this section "person" shall include any person, partnership, corporation, or association of individuals.

Sec. 674. RCW 24.34.010 and 1967 c 187 s 1 are each amended to read as follows:

Persons engaged in the production of agricultural products as farmers, planters, ranchmen, dairymen, nut growers, or fruit growers may act together in associations, corporate or otherwise, with or without capital stock, in collectively processing, preparing for market, handling, and marketing in intrastate commerce, such products of persons so engaged. Such associations may have marketing agencies in common; and such associations and their members may make the necessary contracts and agreements to effect such purposes: PROVIDED, That such associations are operated for the mutual benefit of the members thereof, as such producers, and conform to one or both of the following requirements:

First. That no member of the association is allowed more than one vote because of the amount of stock or membership capital he or she may own therein, or,

Second. That the association does not pay dividends on stock or membership capital in excess of eight percent per annum.

And in any case to the following:

Third. That the association shall not deal in the products of nonmembers to an amount greater in value than such as are handled by it for members.

Sec. 675. RCW 24.34.020 and 1989 c 175 s 75 are each amended to read as follows:

If the attorney general has reason to believe that any such association as provided for in RCW 24.34.010 monopolizes or restrains trade to such an extent that the price of any agricultural product is unduly enhanced by reason thereof, he or she shall serve upon such association a complaint stating his or her charge in that respect, to which complaint shall be attached, or contained therein, a notice of hearing, specifying a day and place not less than thirty days after the service thereof, requiring the association to show cause why an order should not be made directing it to cease and desist from monopolization or restraint of trade.

Such hearing, and any appeal which may be made from such hearing, shall be conducted and held subject to and in conformance with the provisions for adjudicative proceedings and judicial review in chapter 34.05 RCW, the administrative procedure act.

Sec. 676. RCW 24.36.160 and 1959 c 312 s 16 are each amended to read as follows:

The bylaws may provide:

(1) The amount of entrance, organization, and membership fees, if any; the manner and method of collection of the same; and the purposes for which they may be used.

(2) The amount which each member shall be required to pay annually, or from time to time, if at all, to carry on the business of the association; the charge, if any, to be paid by each member for services rendered by the association to him or her and the time of payment and the manner of collection; and the marketing contract between the association and its members which every member may be required to sign.

(3) The amount of any dividends which may be declared on the stock or membership capital, which dividends shall not exceed eight percent per annum

and which dividends shall be in the nature of interest and shall not affect the nonprofit character of any association organized hereunder.

Sec. 677. RCW 24.36.170 and 1959 c 312 s 17 are each amended to read as follows:

The bylaws may provide:

(1) The number and qualification of members of the association and the conditions precedent to membership or ownership of common stock.

(2) The method, time, and manner of permitting members to withdraw or the holders of common stock to transfer their stock.

(3) The manner of assignment and transfer of the interest of members and of the shares of common stock.

(4) The conditions upon which and time when membership of any member shall cease.

(5) For the automatic suspension of the rights of a member when he or she ceases to be eligible to membership in the association; and the mode, manner, and effect of the expulsion of a member.

(6) The manner of determining the value of a member's interest and provision for its purchase by the association upon the death or withdrawal of a member or upon the expulsion of a member or forfeiture of his or her membership, or at the option of the association, the purchase at a price fixed by conclusive appraisal by the board of directors; and the conditions and terms for the repurchase by the corporation from its stockholders of their stock upon their disqualification as stockholders.

Sec. 678. RCW 24.36.260 and 1959 c 312 s 26 are each amended to read as follows:

When a member of an association established without shares of stock has paid his or her membership fee in full, he or she shall receive a certificate of membership.

Sec. 679. RCW 24.36.270 and 1959 c 312 s 27 are each amended to read as follows:

No member shall be liable for the debts of the association to an amount exceeding the sum remaining unpaid on his or her membership fee or his or her subscription to the capital stock, including any unpaid balance on any promissory note given in payment thereof.

Sec. 680. RCW 24.36.290 and 1959 c 312 s 29 are each amended to read as follows:

In case of the expulsion of a member, and where the bylaws do not provide any procedure or penalty, the board of directors shall equitably and conclusively appraise his or her property interest in the association and shall fix the amount thereof in money, which shall be paid to him or her within one year after such expulsion.

Sec. 681. RCW 24.36.440 and 1959 c 312 s 44 are each amended to read as follows:

The marketing contract may fix, as liquidated damages, specific sums to be paid by the member to the association upon the breach by him or her of any provision of the marketing contract regarding the sale or delivery or withholding of fishery products; and may further provide that the member will pay all costs, premiums for bonds, expenses, and fees, in case any action is brought upon the

contract by the association; and any such provisions shall be valid and enforceable in the courts of this state; and such clauses providing for liquidated damages shall be enforceable as such and shall not be regarded as penalties.

Sec. 682. RCW 24.36.460 and 1959 c 312 s 46 are each amended to read as follows:

In any action upon such marketing agreements, it shall be conclusively presumed that a landlord or lessor is able to control the delivery of fishery products produced by his or her equipment by tenants, or others, whose tenancy or possession or work on such equipment or the terms of whose tenancy or possession or labor thereon were created or changed after execution by the landlord or lessor, of such a marketing agreement; and in such actions, the foregoing remedies for nondelivery or breach shall lie and be enforceable against such landlord or lessor.

Sec. 683. RCW 25.12.060 and 1955 c 15 s 25.12.060 are each amended to read as follows:

The business of the partnership may be conducted under a name in which the names of the general partners only shall be inserted, without the addition of the word "company" or any other general term. If the name of any special partner is used in such firm with his or her consent or privity, he or she shall be deemed and treated as a general partner, or if he or she personally makes any contract respecting the concerns of the partnership with any person except the general partners, he or she shall be deemed and treated as a general partner in relation to such contract, unless he or she makes it appear that in making such contract he or she acted and was recognized as a special partner only.

Sec. 684. RCW 26.04.100 and 1967 c 26 s 5 are each amended to read as follows:

The county auditor shall file said certificates and record them or bind them into numbered volumes, and note on the original index to the license issued the volume and page wherein such certificate is recorded or bound. He or she shall enter the date of filing and his or her name on the certificates for the files of the state registrar of vital statistics, and transmit, by the tenth day of each month, all such certificates filed with him or her during the preceding month.

Sec. 685. RCW 26.04.150 and 1963 c 230 s 2 are each amended to read as follows:

Any person may secure by mail from the county auditor of the county in the state of Washington where he or she intends to be married, an application, and execute and acknowledge said application before a notary public.

Sec. 686. RCW 26.04.190 and 1939 c 204 s 7 are each amended to read as follows:

Any county auditor is hereby authorized to refuse to issue a license to marry if, in his or her discretion, the applications executed by the parties or information coming to his or her knowledge as a result of the execution of said applications, justifies said refusal: PROVIDED, HOWEVER, The denied parties may appeal to the superior court of said county for an order to show cause, directed to said county auditor to appear before said court to show why said court should not grant an order to issue a license to said denied parties and, after due hearing, or if the auditor fails to appear, said court may in its discretion, issue an order to said auditor directing him or her to issue said license; any hearings held by a superior

court under RCW 26.04.140 through 26.04.200 may, in the discretion of said court, be held in chambers.

Sec. 687. RCW 26.04.220 and Code 1881 s 2393 are each amended to read as follows:

The person solemnizing the marriage is authorized to retain in his or her possession the license, but the county auditor who issues the same, before delivering it, shall enter in his or her marriage record a memorandum of the names of the parties, the consent of the parents or guardian, if any, and the name of the affiant and the substance of the affidavit upon which said license issued, and the date of such license.

Sec. 688. RCW 26.04.240 and Code 1881 s 2395 are each amended to read as follows:

Any person who shall undertake to join others in marriage knowing that he or she is not lawfully authorized so to do, or any person authorized to solemnize marriage, who shall join persons in marriage contrary to the provisions of this chapter, shall, upon conviction thereof, be punished by a fine of not more than five hundred, nor less than one hundred dollars.

Sec. 689. RCW 26.04.250 and 1979 ex.s. c 128 s 3 are each amended to read as follows:

Every person who shall solemnize a marriage when either party thereto is known to him or her to be under the age of legal consent or a marriage to which, within his or her knowledge, any legal impediment exists, shall be guilty of a gross misdemeanor.

Sec. 690. RCW 26.09.140 and 1973 1st ex.s. c 157 s 14 are each amended to read as follows:

The court from time to time after considering the financial resources of both parties may order a party to pay a reasonable amount for the cost to the other party of maintaining or defending any proceeding under this chapter and for reasonable attorneys' fees or other professional fees in connection therewith, including sums for legal services rendered and costs incurred prior to the commencement of the proceeding or enforcement or modification proceedings after entry of judgment.

Upon any appeal, the appellate court may, in its discretion, order a party to pay for the cost to the other party of maintaining the appeal and attorneys' fees in addition to statutory costs.

The court may order that the attorneys' fees be paid directly to the attorney who may enforce the order in his or her name.

Sec. 691. RCW 26.09.270 and 1989 c 375 s 15 are each amended to read as follows:

A party seeking a temporary custody order or a temporary parenting plan or modification of a custody decree or parenting plan shall submit together with his or her motion, an affidavit setting forth facts supporting the requested order or modification and shall give notice, together with a copy of his or her affidavit, to other parties to the proceedings, who may file opposing affidavits. The court shall deny the motion unless it finds that adequate cause for hearing the motion is established by the affidavits, in which case it shall set a date for hearing on an order to show cause why the requested order or modification should not be granted.

Sec. 692. RCW 26.12.040 and 1949 c 50 s 4 are each amended to read as follows:

In counties having more than one judge of the superior court the presiding judge may appoint a judge other than the judge of the family court to act as judge of the family court during any period when the judge of the family court is on vacation, absent, or for any reason unable to perform his or her duties. Any judge so appointed shall have all the powers and authority of a judge of the family court in cases under this chapter.

Sec. 693. RCW 26.26.134 and 1983 1st ex.s. c 41 s 11 are each amended to read as follows:

A court may not order payment for support provided or expenses incurred more than five years prior to the commencement of the action. Any period of time in which the responsible party has concealed himself or herself or avoided the jurisdiction of the court under this chapter shall not be included within the five-year period.

Sec. 694. RCW 26.28.030 and 1866 p 92 s 2 are each amended to read as follows:

A minor is bound, not only by contracts for necessities, but also by his or her other contracts, unless he or she disaffirms them within a reasonable time after he or she attains his or her majority, and restores to the other party all money and property received by him or her by virtue of the contract, and remaining within his or her control at any time after his or her attaining his or her majority.

Sec. 695. RCW 26.28.040 and 1866 p 93 s 3 are each amended to read as follows:

No contract can be thus disaffirmed in cases where on account of the minor's own misrepresentations as to his or her majority, or from his or her having engaged in business as an adult, the other party had good reasons to believe the minor capable of contracting.

Sec. 696. RCW 26.28.050 and 1866 p 93 s 4 are each amended to read as follows:

When a contract for the personal services of a minor has been made with him or her alone, and those services are afterwards performed, payment made therefor to such minor in accordance with the terms of the contract, is a full satisfaction for those services, and the parents or guardian cannot recover therefor.

Sec. 697. RCW 26.28.070 and 1909 c 249 s 194 are each amended to read as follows:

Every person who shall employ, or cause to be employed, exhibit or have in his or her custody for exhibition or employment any minor actually or apparently under the age of eighteen years; and every parent, relative, guardian, employer, or other person having the care, custody, or control of any such minor, who shall in any way procure or consent to the employment of such minor:

- (1) In begging, receiving alms, or in any mendicant occupation; or,
- (2) In any indecent or immoral exhibition or practice; or,
- (3) In any practice or exhibition dangerous or injurious to life, limb, health, or morals; or,

(4) As a messenger for delivering letters, telegrams, packages, or bundles, to any known house of prostitution or assignation;

Shall be guilty of a misdemeanor.

Sec. 698. RCW 26.30.020 and 1970 ex.s. c 4 s 2 are each amended to read as follows:

Any written obligation signed by a minor sixteen or more years of age in consideration of an educational loan received by him or her from any person is enforceable as if he or she were an adult at the time of execution, but only if prior to the making of the educational loan an educational institution has certified in writing to the person making the educational loan that the minor is enrolled, or has been accepted for enrollment, in the educational institution.

Sec. 699. RCW 26.40.080 and 1955 c 272 s 8 are each amended to read as follows:

It shall be the responsibility of the state and the appropriate departments and agencies thereof to discover methods and procedures by which the mental and/or physical health of the child in custody may be improved and, with the consent of the co-custodians, to apply those methods and procedures. The co-custodians other than the state shall have no financial responsibility for the child committed to their co-custody except as they may in written agreement with the state accept such responsibility. At any time after the commitment of such child they may inquire into his or her well-being, and the state and any of its agencies may do nothing with respect to the child that would in any way affect his or her mental or physical health without the consent of the co-custodians. The legal status of the child may not be changed without the consent of the co-custodians. If it appears to the state as co-custodian of a child that the health and/or welfare of such child is impaired or jeopardized by the failure of the co-custodians other than the state to consent to the application of certain methods and procedures with respect to such child, the state through its proper department or agency may petition the court for an order to proceed with such methods and procedures. Upon the filing of such petition a hearing shall be held in open court, and if the court finds that such petition should be granted it shall issue the order.

Sec. 700. RCW 27.12.080 and 1941 c 65 s 5 are each amended to read as follows:

Two or more counties, or other governmental units, by action of their legislative bodies, may join in establishing and maintaining a regional library under the terms of a contract to which all will agree. The expenses of the regional library shall be apportioned between or among the contracting parties concerned on such basis as shall be agreed upon in the contract. The treasurer of one of the governmental units, as shall be provided in the contract, shall have the custody of the funds of the regional library; and the treasurers of the other governmental units concerned shall transfer quarterly to him or her all moneys collected for free public library purposes in their respective governmental units. If the legislative body of any governmental unit decides to withdraw from a regional library contract, the governmental unit withdrawing shall be entitled to a division of the property on the basis of its contributions.

Sec. 701. RCW 27.12.160 and 1947 c 75 s 8 are each amended to read as follows:

The board of trustees of an intercounty rural library district shall designate the county treasurer of one of the counties included in the district to act as treasurer for the district. All moneys raised for the district by taxation within the participating counties or received by the district from any other sources shall be paid over to him or her, and he or she shall disburse the funds of the district upon warrants drawn thereon by the auditor of the county to which he or she belongs pursuant to vouchers approved by the trustees of the district.

Sec. 702. RCW 27.12.180 and 1941 c 65 s 6 are each amended to read as follows:

Instead of establishing or maintaining an independent library, the legislative body of any governmental unit authorized to maintain a library shall have power to contract to receive library service from an existing library, the board of trustees of which shall have reciprocal power to contract to render the service with the consent of the legislative body of its governmental unit. Such a contract shall require that the existing library perform all the functions of a library within the governmental unit wanting service. In like manner a legislative body may contract for library service from a library not owned by a public corporation but maintained for free public use: PROVIDED, That such a library be subject to inspection by the state librarian and be certified by him or her as maintaining a proper standard. Any school district may contract for school library service from any existing library, such service to be paid for from funds available to the school district for library purposes.

Sec. 703. RCW 27.12.210 and 1982 c 123 s 9 are each amended to read as follows:

The trustees, immediately after their appointment or election, shall meet and organize by the election of such officers as they deem necessary. They shall:

- (1) Adopt such bylaws, rules, and regulations for their own guidance and for the government of the library as they deem expedient;
- (2) Have the supervision, care, and custody of all property of the library, including the rooms or buildings constructed, leased, or set apart therefor;
- (3) Employ a librarian, and upon his or her recommendation employ such other assistants as may be necessary, all in accordance with the provisions of RCW 27.08.010, prescribe their duties, fix their compensation, and remove them for cause;
- (4) Submit annually to the legislative body a budget containing estimates in detail of the amount of money necessary for the library for the ensuing year; except that in a library district the board of library trustees shall prepare its budget, certify the same and deliver it to the board of county commissioners in ample time for it to make the tax levies for the purpose of the district;
- (5) Have exclusive control of the finances of the library;
- (6) Accept such gifts of money or property for library purposes as they deem expedient;
- (7) Lease or purchase land for library buildings;
- (8) Lease, purchase, or erect an appropriate building or buildings for library purposes, and acquire such other property as may be needed therefor;
- (9) Purchase books, periodicals, maps, and supplies for the library; and
- (10) Do all other acts necessary for the orderly and efficient management and control of the library.

Sec. 704. RCW 27.12.240 and 1965 c 122 s 4 are each amended to read as follows:

After a library shall have been established or library service contracted for, the legislative body of the governmental unit for which the library was established or the service engaged, shall appropriate money annually for the support of the library. All funds for the library, whether derived from taxation or otherwise, shall be in the custody of the treasurer of the governmental unit, and shall be designated by him or her in some manner for identification, and shall not be used for any but library purposes. The board of trustees shall have the exclusive control of expenditures for library purposes subject to any examination of accounts required by the state and money shall be paid for library purposes only upon vouchers of the board of trustees, without further audit. The board shall not make expenditures or incur indebtedness in any year in excess of the amount of money appropriated and/or available for library purposes.

Sec. 705. RCW 27.18.030 and 1965 ex.s. c 93 s 3 are each amended to read as follows:

The state librarian shall be the compact administrator pursuant to Article X of the compact. The state librarian shall appoint one or more deputy compact administrators. Every library agreement made pursuant to Article VI of the compact shall, as a condition precedent to its entry into force, be submitted to the state librarian for his or her recommendations.

Sec. 706. RCW 27.24.020 and 2005 c 63 s 2 are each amended to read as follows:

(1) Unless a regional law library is created pursuant to RCW 27.24.062, every county with a population of three hundred thousand or more must have a board of law library trustees consisting of five members to be constituted as follows: The ~~((chairman))~~ chair of the county legislative authority is an ex officio trustee, the judges of the superior court of the county shall choose two of their number to be trustees, and the members of the county bar association shall choose two members of the bar of the county to be trustees.

(2) Unless a regional law library is created pursuant to RCW 27.24.062, every county with a population of eight thousand or more but less than three hundred thousand must have a board of law library trustees consisting of five members to be constituted as follows: The ~~((chairman))~~ chair of the county legislative authority is an ex officio trustee, the judges of the superior court of the county shall choose one of their number to be a trustee, and the members of the county bar association shall choose three members of the county to be trustees. If there is no county bar association, then the lawyers of the county shall choose three of their number to be trustees.

(3) If a county has a population of less than eight thousand, then the provisions contained in RCW 27.24.068 shall apply to the establishment and operation of the county law library.

(4) If a regional law library is created pursuant to RCW 27.24.062, then it shall be governed by one board of trustees. The board shall consist of the following representatives from each county: The judges of the superior court of the county shall choose one of their number to be a trustee, the county legislative authority shall choose one of their number to be a trustee, and the members of the county bar association shall choose one member of the bar of the county to

be a trustee. If there is no county bar association, then the lawyers of the county shall choose one of their number to be a trustee.

(5) The term of office of a member of the board who is a judge is for as long as he or she continues to be a judge, and the term of a member who is from the bar is four years. Vacancies shall be filled as they occur and in the manner directed in this section. The office of trustee shall be without salary or other compensation. The board shall elect one of their number president and the librarian shall act as secretary, except that in counties with a population of eight thousand or more but less than three hundred thousand, the board shall elect one of their number to act as secretary if no librarian is appointed. Meetings shall be held at least once per year, and if more often, then at such times as may be prescribed by rule.

Sec. 707. RCW 27.40.034 and 1985 c 469 s 13 are each amended to read as follows:

The board of regents may provide, by rule or regulation, for:

(1) The permanent acquisition of documents or materials on loan to the state museum at the University of Washington, if the documents or materials have not been claimed by the owner thereof within ninety days after notice is sent by certified mail, return receipt requested, to the owner at his or her last known address by the board of regents and if the certified letter be returned because it could not be delivered to the addressee, public notice shall be published by the University of Washington once each week during two successive weeks in a newspaper circulating in the city of Seattle and the county of King describing the unclaimed documents or materials, giving the name of the reputed owner thereof and requesting all persons who may have any knowledge of the whereabouts of the owner to contact the office of the museum of the University of Washington: PROVIDED HOWEVER, That more than one item may be described in each of the notices;

(2) The return to the rightful owner of documents or materials in the possession of the museum, which documents or materials are determined to have been stolen: PROVIDED, That any person claiming to be the rightful legal owner of the documents or materials who wishes to challenge the determination by the board shall have the right to commence a declaratory judgment action pursuant to chapter 7.24 RCW in the superior court for King county to determine the validity of his or her claim of ownership to the documents or materials.

Sec. 708. RCW 28A.320.430 and 1990 c 33 s 338 are each amended to read as follows:

All such special meetings shall be held at such schoolhouse or place as the board of directors may determine. The voting shall be by ballot, the ballots to be of white paper of uniform size and quality. At least ten days' notice of such special meeting shall be given by the school district superintendent, in the manner that notice is required to be given of the annual school election, which notice shall state the object or objects for which the meeting is to be held, and no other business shall be transacted at such meeting than such as is specified in the notice. The school district superintendent shall be the secretary of the meeting, and the ~~((chairman))~~ chair of the board of directors or, in his or her absence, the senior director present, shall be ~~((chairman))~~ chair of the meeting: PROVIDED, That in the absence of one or all of said officials, the qualified electors present

may elect a (~~chairman~~) chair or secretary, or both (~~chairman~~) chair and secretary, of said meeting as occasion may require, from among their number. The secretary of the meeting shall make a record of the proceedings of the meeting, and when the secretary of such meeting has been elected by the qualified voters present, he or she shall within ten days thereafter, file the record of the proceedings, duly certified, with the superintendent of the district, and said records shall become a part of the records of the district, and be preserved as other records.

Sec. 709. RCW 28B.10.310 and 1983 c 167 s 31 are each amended to read as follows:

Each issue or series of such bonds: Shall be sold at such price and at such rate or rates of interest; may be serial or term bonds; may mature at such time or times in not to exceed forty years from date of issue; may be sold at public or private sale; may be payable both principal and interest at such place or places; may be subject to redemption prior to any fixed maturities; may be in such denominations; may be payable to bearer or to the purchaser or purchasers thereof or may be registrable as to principal or principal and interest as provided in RCW 39.46.030; may be issued under and subject to such terms, conditions, and covenants providing for the payment of the principal thereof and interest thereon, which may include the creation and maintenance of a reserve fund or account to secure the payment of such principal and interest and a provision that additional bonds payable out of the same source or sources may later be issued on a parity therewith, and such other terms, conditions, covenants, and protective provisions safeguarding such payment, all as determined and found necessary and desirable by said boards of regents or trustees. If found reasonably necessary and advisable, such boards of regents or trustees may select a trustee for the owners of each such issue or series of bonds and/or for the safeguarding and disbursements of the proceeds of their sale for the uses and purposes for which they were issued and, if such trustee or trustees are so selected, shall fix its or their rights, duties, powers, and obligations. The bonds of each such issue or series: Shall be executed on behalf of such universities or colleges by the president of the board of regents or the (~~chairman~~) chair of the board of trustees, and shall be attested by the secretary or the treasurer of such board, one of which signatures may be a facsimile signature; and shall have the seal of such university or college impressed, printed, or lithographed thereon, and any interest coupons attached thereto shall be executed with the facsimile signatures of said officials. The bonds of each such issue or series and any of the coupons attached thereto shall be negotiable instruments within the provisions and intent of the negotiable instruments law of this state even though they shall be payable solely from any special fund or funds.

Sec. 710. RCW 28B.10.510 and 1973 c 62 s 3 are each amended to read as follows:

The attorney general of the state shall be the legal advisor to the presidents and the boards of regents and trustees of the institutions of higher education and he or she shall institute and prosecute or defend all suits in behalf of the same.

Sec. 711. RCW 28B.10.520 and 1977 ex.s. c 169 s 22 are each amended to read as follows:

Each member of a board of regents or board of trustees of a university or other state institution of higher education, before entering upon his or her duties, shall take and subscribe an oath to discharge faithfully and honestly his or her duties and to perform strictly and impartially the same to the best of his or her ability, such oath to be filed with the secretary of state.

Sec. 712. RCW 28B.10.528 and 1971 ex.s. c 57 s 21 are each amended to read as follows:

The governing boards of institutions of higher education shall have power, when exercised by resolution, to delegate to the president or his or her designee, of their respective university or college, any of the powers and duties vested in or imposed upon such governing board by law. Delegated powers and duties may be exercised in the name of the respective governing boards.

Sec. 713. RCW 28B.10.567 and 1987 c 185 s 2 are each amended to read as follows:

The boards of regents of the state universities and board of trustees of the regional universities and the board of trustees of The Evergreen State College are authorized and empowered, under such rules and regulations as any such board may prescribe for the duly sworn police officers employed by any such board as members of a police force established pursuant to RCW 28B.10.550, to provide for the payment of death or disability benefits or medical expense reimbursement for death, disability, or injury of any such duly sworn police officer who, in the line of duty, loses his or her life or becomes disabled or is injured, and for the payment of such benefits to be made to any such duly sworn police officer or his or her surviving spouse or the legal guardian of his or her child or children, as defined in RCW 41.26.030(~~((7))~~) (6), or his or her estate: PROVIDED, That the duty-related benefits authorized by this section shall in no event be greater than the benefits authorized on June 25, 1976, for duty-related death, disability, or injury of a law enforcement officer under chapter 41.26 RCW: PROVIDED FURTHER, That the duty-related benefits authorized by this section shall be reduced to the extent of any amounts received or eligible to be received on account of the duty-related death, disability, or injury to any such duly sworn police officer, his or her surviving spouse, the legal guardian of his or her child or children, or his or her estate, under workers' compensation, social security including the changes incorporated under Public Law 89-97 as now or hereafter amended, or disability income insurance and health care plans under chapter 41.05 RCW.

Sec. 714. RCW 28B.10.844 and 1972 ex.s. c 23 s 3 are each amended to read as follows:

The board of regents and the board of trustees of each of the state's institutions of higher education and governing body of an educational board are authorized to purchase insurance to protect and hold personally harmless any regent, trustee, officer, employee, or agent of their respective institution, any member of an educational board, its officers, employees or agents, from any action, claim, or proceeding instituted against him or her arising out of the performance or failure of performance of duties for or employment with such institution or educational board and to hold him or her harmless from any expenses connected with the defense, settlement, or monetary judgments from such actions.

Sec. 715. RCW 28B.14D.090 and 1979 ex.s. c 253 s 9 are each amended to read as follows:

The bonds authorized by this chapter shall be issued only after an officer designated by the board of regents or board of trustees of each institution of higher education receiving an appropriation from the higher education construction account has certified, based upon his or her estimates of future tuition income and other factors, that an adequate balance will be maintained in that institution's building account or capital projects account to enable the board to meet the requirements of RCW 28B.14D.070 during the life of the bonds to be issued.

Sec. 716. RCW 28B.14G.080 and 1981 c 233 s 8 are each amended to read as follows:

The bonds authorized by this chapter shall be issued only after an officer designated by the board of regents or board of trustees of each institution of higher education receiving an appropriation from the higher education construction account has certified, based upon his or her estimates of future tuition income and other factors, that an adequate balance will be maintained in that institution's building account or capital projects account to enable the board to meet the requirements of RCW 28B.14G.060 during the life of the bonds to be issued: PROVIDED, That with respect to any hospital-related project at the University of Washington, it shall be certified, based on estimates of the hospital's adjusted gross revenues and other factors, that an adequate balance will be maintained in that institution's local hospital account to enable the board to meet the requirements of RCW 28B.14G.060 during the life of the bonds to be issued.

Sec. 717. RCW 28B.20.105 and 1969 ex.s. c 223 s 28B.20.105 are each amended to read as follows:

The board shall organize by electing from its membership a president and an executive committee, of which committee the president shall be ex officio (~~(chairman)~~) chair. The board may adopt bylaws or rules and regulations for its own government. The board shall hold regular quarterly meetings, and during the interim between such meetings the executive committee may transact business for the whole board: PROVIDED, That the executive committee may call special meetings of the whole board when such action is deemed necessary.

Sec. 718. RCW 28B.20.110 and 1969 ex.s. c 223 s 28B.20.110 are each amended to read as follows:

The board shall appoint a secretary and a treasurer who shall hold their respective offices during the pleasure of the board and carry out such respective duties as the board shall prescribe. In addition to such other duties as the board prescribes, the secretary shall record all proceedings of the board and carefully preserve the same. The treasurer shall give bond for the faithful performance of the duties of his or her office in such amount as the regents may require: PROVIDED, That the university shall pay the fee for such bond.

Sec. 719. RCW 28B.20.328 and 1969 ex.s. c 46 s 3 are each amended to read as follows:

(1) Any lease of public lands with outdoor recreation potential authorized by the regents of the University of Washington shall be open and available to the public for compatible recreational use unless the regents of the University of

Washington determine that the leased land should be closed in order to prevent damage to crops or other land cover, to improvements on the land, to the lessee, or to the general public or is necessary to avoid undue interference with carrying forward a university program. Any lessee may file an application with the regents of the University of Washington to close the leased land to any public use. The regents shall cause a written notice of the impending closure to be posted in a conspicuous place in the university's business office and in the office of the county auditor in which the land is located thirty days prior to the public hearing. This notice shall state the parcel or parcels involved and shall indicate the time and place of the public hearing. Upon a determination by the regents that posting is not necessary, the lessee shall desist from posting. Upon a determination by the regents that posting is necessary, the lessee shall post his or her leased premises so as to prohibit recreational uses thereon. In the event any such lands are so posted, it shall be unlawful for any person to hunt or fish, or for any person other than the lessee or his or her immediate family to use any such posted lands for recreational purposes.

(2) The regents of the University of Washington may insert the provisions of subsection (1) of this section in all leases hereafter issued.

Sec. 720. RCW 28B.20.456 and 1973 c 62 s 9 are each amended to read as follows:

There is hereby created an advisory committee to the environmental research facility consisting of eight members. Membership on the committee shall consist of the director of the department of labor and industries, the assistant secretary for the division of health services of the department of social and health services, the president of the Washington state labor council, the president of the association of Washington business, the dean of the school of public health and community medicine of the University of Washington, the dean of the school of engineering of the University of Washington, the president of the Washington state medical association, or their representatives, and the ~~((chairman))~~ chair of the department of environmental health of the University of Washington, who shall be ex officio ~~((chairman))~~ chair of the committee without vote. Such committee shall meet at least semiannually at the call of the ~~((chairman))~~ chair. Members shall serve without compensation. It shall consult, review and evaluate policies, budgets, activities, and programs of the facility relating to industrial and occupational health to the end that the facility will serve in the broadest sense the health of the ~~((workman))~~ worker as it may be related to his or her employment.

Sec. 721. RCW 28B.30.125 and 1969 ex.s. c 223 s 28B.30.125 are each amended to read as follows:

The board of regents shall meet and organize by the election of a president from their own number on or as soon as practicable after the first Wednesday in April of each year.

The board president shall be the chief executive officer of the board and shall preside at all meetings thereof, except that in his or her absence the board may appoint a ~~((chairman))~~ chair pro tempore. The board president shall sign all instruments required to be executed by said board other than those for the disbursement of funds.

The board may adopt bylaws for its own organizational purposes and enact laws for the government of the university and its properties.

Sec. 722. RCW 28B.30.130 and 1969 ex.s. c 223 s 28B.30.130 are each amended to read as follows:

The board of regents shall appoint a treasurer who shall be the financial officer of the board and who shall hold office during the pleasure of the board. The treasurer shall render a true and faithful account of all moneys received and paid out by him or her, and shall give bond for the faithful performance of the duties of his or her office in such amount as the regents require: PROVIDED, That the university shall pay the fee for such bond.

The treasurer shall make disbursements of the funds in his or her hands on the order of the board, which order shall be countersigned by the secretary of the board, and shall state on what account the disbursement is made.

Sec. 723. RCW 28B.30.135 and 1969 ex.s. c 223 s 28B.30.135 are each amended to read as follows:

The president of the university shall be secretary of the board of regents but he or she shall not have the right to vote; as such he or she shall be the recording officer of said board, shall attest all instruments required to be signed by the board president, shall keep a true record of all the proceedings of the board, and shall perform all the duties pertaining to the office and do all other things required of him or her by the board. The secretary shall give a bond in the penal sum of not less than five thousand dollars conditioned for the faithful performance of his or her duties as such officer: PROVIDED, That the university shall pay the fee for such bond.

Sec. 724. RCW 28B.30.325 and 1969 ex.s. c 46 s 4 are each amended to read as follows:

(1) Any lease of public lands with outdoor recreation potential authorized by the regents of Washington State University shall be open and available to the public for compatible recreational use unless the regents of Washington State University determine that the leased land should be closed in order to prevent damage to crops or other land cover, to improvements on the land, to the lessee, or to the general public or is necessary to avoid undue interference with carrying forward a university program. Any lessee may file an application with the regents of Washington State University to close the leased land to any public use. The regents shall cause written notice of the impending closure to be posted in a conspicuous place in the university's business office, and in the office of the county auditor in which the land is located thirty days prior to the public hearing. This notice shall state the parcel or parcels involved and shall indicate the time and place of the public hearing. Upon a determination by the regents that posting is not necessary, the lessee shall desist from posting. Upon a determination by the regents that posting is necessary, the lessee shall post his or her leased premises so as to prohibit recreational uses thereon. In the event any such lands are so posted, it shall be unlawful for any person to hunt or fish, or for any person other than the lessee or his or her immediate family to use such posted land for recreational purposes.

(2) The regents of Washington State University may insert the provisions of subsection (1) of this section in all leases hereafter issued.

Sec. 725. RCW 28B.31.090 and 1977 ex.s. c 344 s 9 are each amended to read as follows:

The bonds authorized by this chapter shall be issued only after an officer of Washington State University, designated by the Washington State University board of regents, has certified, based upon his or her estimates of future tuition income and other factors, that an adequate balance will be maintained in the Washington State University building account to enable the board of regents to meet the requirements of RCW 28B.31.070 during the life of the bonds to be issued.

Sec. 726. RCW 28B.35.105 and 1977 ex.s. c 169 s 46 are each amended to read as follows:

Each board of regional university trustees shall elect one of its members (~~(chairman)~~) chair, and it shall elect a secretary, who may or may not be a member of the board. Each board shall have power to adopt bylaws for its government and for the government of the school, which bylaws shall not be inconsistent with law, and to prescribe the duties of its officers, committees, and employees. A majority of the board shall constitute a quorum for the transaction of all business.

Sec. 727. RCW 28B.35.110 and 1977 ex.s. c 169 s 47 are each amended to read as follows:

Each board of regional university trustees shall hold at least two regular meetings each year, at such times as may be provided by the board. Special meetings shall be held as may be deemed necessary, whenever called by the (~~(chairman)~~) chair or by a majority of the board. Public notice of all meetings shall be given in accordance with chapter 42.32 RCW.

Sec. 728. RCW 28B.35.120 and 2006 c 263 s 824 are each amended to read as follows:

In addition to any other powers and duties prescribed by law, each board of trustees of the respective regional universities:

(1) Shall have full control of the regional university and its property of various kinds, except as otherwise provided by law.

(2) Shall employ the president of the regional university, his or her assistants, members of the faculty, and other employees of the institution, who, except as otherwise provided by law, shall hold their positions, until discharged therefrom by the board for good and lawful reason.

(3) With the assistance of the faculty of the regional university, shall prescribe the course of study in the various schools and departments thereof and publish such catalogues thereof as the board deems necessary: PROVIDED, That the Washington professional educator standards board shall determine the requisites for and give program approval of all courses leading to teacher certification by such board.

(4) Establish such divisions, schools, or departments necessary to carry out the purposes of the regional university and not otherwise proscribed by law.

(5) Except as otherwise provided by law, may establish and erect such new facilities as determined by the board to be necessary for the regional university.

(6) May acquire real and other property as provided in RCW 28B.10.020, as now or hereafter amended.

(7) Except as otherwise provided by law, may purchase all supplies and purchase or lease equipment and other personal property needed for the operation or maintenance of the regional university.

(8) May establish, lease, operate, equip, and maintain self-supporting facilities in the manner provided in RCW 28B.10.300 through 28B.10.330, as now or hereafter amended.

(9) Except as otherwise provided by law, to enter into such contracts as the trustees deem essential to regional university purposes.

(10) May receive such gifts, grants, conveyances, devises, and bequests of real or personal property from whatsoever source, as may be made from time to time, in trust or otherwise, whenever the terms and conditions thereof will aid in carrying out the regional university programs; sell, lease, or exchange, invest or expend the same or the proceeds, rents, profits, and income thereof except as limited by the terms and conditions thereof; and adopt regulations to govern the receipt and expenditure of the proceeds, rents, profits, and income thereof.

(11) Subject to the approval of the higher education coordinating board pursuant to RCW 28B.76.230, offer new degree programs, offer off-campus programs, participate in consortia or centers, contract for off-campus educational programs, and purchase or lease major off-campus facilities.

(12) May promulgate such rules and regulations, and perform all other acts not forbidden by law, as the board of trustees may in its discretion deem necessary or appropriate to the administration of the regional university.

Sec. 729. RCW 28B.35.230 and 1977 ex.s. c 169 s 53 are each amended to read as follows:

Every diploma issued by a regional university shall be signed by the ~~((chairman))~~ chair of the board of trustees and by the president of the regional university issuing the same, and sealed with the appropriate seal. In addition to the foregoing, teaching certificates shall be countersigned by the state superintendent of public instruction. Every certificate shall specifically state what course of study the holder has completed and for what length of time such certificate is valid in the schools of the state.

Sec. 730. RCW 28B.35.310 and 1977 ex.s. c 169 s 56 are each amended to read as follows:

It shall thereupon be the duty of the board of the school district or districts with which such statement has been filed, to apportion for attendance to the said model school or training department, a sufficient number of pupils from the public schools under the supervision of said board as will furnish to such regional university the number of pupils required in order to maintain such facility: PROVIDED, That the president of said regional university may refuse to accept any such pupil as in his or her judgment would tend to reduce the efficiency of said model school or training department.

Sec. 731. RCW 28B.35.730 and 1985 c 390 s 51 are each amended to read as follows:

For the purpose of financing the cost of any projects, each of the boards is hereby authorized to adopt the resolution or resolutions and prepare all other documents necessary for the issuance, sale, and delivery of the bonds or any part thereof at such time or times as it shall deem necessary and advisable. Said bonds:

- (1) Shall not constitute
 - (a) An obligation, either general or special, of the state; or
 - (b) A general obligation of the university or college or of the board;
- (2) Shall be
 - (a) Either registered or in coupon form; and
 - (b) Issued in denominations of not less than one hundred dollars; and
 - (c) Fully negotiable instruments under the laws of this state; and
 - (d) Signed on behalf of the university or college by the (~~chairman~~) chair of the board, attested by the secretary of the board, have the seal of the university or college impressed thereon or a facsimile of such seal printed or lithographed in the bottom border thereof, and the coupons attached thereto shall be signed with the facsimile signatures of such (~~chairman~~) chair and the secretary;
- (3) Shall state
 - (a) The date of issue; and
 - (b) The series of the issue and be consecutively numbered within the series;and
 - (c) That the bond is payable both principal and interest solely out of the bond retirement fund;
 - (4) Each series of bonds shall bear interest, payable either annually or semiannually, as the board may determine;
 - (5) Shall be payable both principal and interest out of the bond retirement fund;
 - (6) Shall be payable at such times over a period of not to exceed forty years from date of issuance, at such place or places, and with such reserved rights of prior redemption, as the board may prescribe;
 - (7) Shall be sold in such manner and at such price as the board may prescribe;
 - (8) Shall be issued under and subject to such terms, conditions, and covenants providing for the payment of the principal thereof and interest thereon and such other terms, conditions, covenants, and protective provisions safeguarding such payment, not inconsistent with RCW 28B.35.700 through 28B.35.790, as now or hereafter amended, and as found to be necessary by the board for the most advantageous sale thereof, which may include but not be limited to:
 - (a) A covenant that the building fees shall be established, maintained, and collected in such amounts that will provide money sufficient to pay the principal of and interest on all bonds payable out of the bond retirement fund, to set aside and maintain the reserves required to secure the payment of such principal and interest, and to maintain any coverage which may be required over such principal and interest;
 - (b) A covenant that a reserve account shall be created in the bond retirement fund to secure the payment of the principal of and interest on all bonds issued and a provision made that certain amounts be set aside and maintained therein;
 - (c) A covenant that sufficient moneys may be transferred from the capital projects account of the university or college issuing the bonds to the bond retirement fund of such university or college when ordered by the board of trustees in the event there is ever an insufficient amount of money in the bond retirement fund to pay any installment of interest or principal and interest coming due on the bonds or any of them;

(d) A covenant fixing conditions under which bonds on a parity with any bonds outstanding may be issued.

The proceeds of the sale of all bonds, exclusive of accrued interest which shall be deposited in the bond retirement fund, shall be deposited in the state treasury to the credit of the capital projects account of the university or college issuing the bonds and shall be used solely for paying the costs of the projects.

Sec. 732. RCW 28B.40.105 and 1977 ex.s. c 169 s 66 are each amended to read as follows:

The board of The Evergreen State College trustees shall elect one of its members (~~(chairman)~~ chair, and it shall elect a secretary, who may or may not be a member of the board. The board shall have power to adopt bylaws for its government and for the government of the school, which bylaws shall not be inconsistent with law, and to prescribe the duties of its officers, committees, and employees. A majority of the board shall constitute a quorum for the transaction of all business.

Sec. 733. RCW 28B.40.110 and 1977 ex.s. c 169 s 67 are each amended to read as follows:

The board of The Evergreen State College trustees shall hold at least two regular meetings each year, at such times as may be provided by the board. Special meetings shall be held as may be deemed necessary, whenever called by the (~~(chairman)~~ chair or by a majority of the board. Public notice of all meetings shall be given in accordance with chapter 42.32 RCW.

Sec. 734. RCW 28B.40.120 and 2006 c 263 s 825 are each amended to read as follows:

In addition to any other powers and duties prescribed by law, the board of trustees of The Evergreen State College:

(1) Shall have full control of the state college and its property of various kinds, except as otherwise provided by law.

(2) Shall employ the president of the state college, his or her assistants, members of the faculty, and other employees of the institution, who, except as otherwise provided by law, shall hold their positions, until discharged therefrom by the board for good and lawful reason.

(3) With the assistance of the faculty of the state college, shall prescribe the course of study in the various schools and departments thereof and publish such catalogues thereof as the board deems necessary: PROVIDED, That the Washington professional educator standards board shall determine the requisites for and give program approval of all courses leading to teacher certification by such board.

(4) Establish such divisions, schools, or departments necessary to carry out the purposes of the college and not otherwise proscribed by law.

(5) Except as otherwise provided by law, may establish and erect such new facilities as determined by the board to be necessary for the college.

(6) May acquire real and other property as provided in RCW 28B.10.020, as now or hereafter amended.

(7) Except as otherwise provided by law, may purchase all supplies and purchase or lease equipment and other personal property needed for the operation or maintenance of the college.

(8) May establish, lease, operate, equip, and maintain self-supporting facilities in the manner provided in RCW 28B.10.300 through 28B.10.330, as now or hereafter amended.

(9) Except as otherwise provided by law, to enter into such contracts as the trustees deem essential to college purposes.

(10) May receive such gifts, grants, conveyances, devises, and bequests of real or personal property from whatsoever source, as may be made from time to time, in trust or otherwise, whenever the terms and conditions thereof will aid in carrying out the college programs; sell, lease, or exchange, invest or expend the same or the proceeds, rents, profits, and income thereof except as limited by the terms and conditions thereof; and adopt regulations to govern the receipt and expenditure of the proceeds, rents, profits, and income thereof.

(11) Subject to the approval of the higher education coordinating board pursuant to RCW 28B.76.230, offer new degree programs, offer off-campus programs, participate in consortia or centers, contract for off-campus educational programs, and purchase or lease major off-campus facilities.

(12) May promulgate such rules and regulations, and perform all other acts not forbidden by law, as the board of trustees may in its discretion deem necessary or appropriate to the administration of the college.

Sec. 735. RCW 28B.40.195 and 1977 c 52 s 1 are each amended to read as follows:

Each board of state college trustees shall appoint a treasurer who shall be the financial officer of the board and who shall hold office during the pleasure of the board. Each treasurer shall render a true and faithful account of all moneys received and paid out by him or her, and shall give bond for the faithful performance of the duties of his or her office in such amount as the trustees require: PROVIDED, That the respective colleges shall pay the fees for any such bonds.

Sec. 736. RCW 28B.40.230 and 1977 ex.s. c 169 s 72 are each amended to read as follows:

Every diploma issued by The Evergreen State College shall be signed by the ~~((chairman))~~ chair of the board of trustees and by the president of the state college, and sealed with the appropriate seal. In addition to the foregoing, teaching certificates shall be countersigned by the state superintendent of public instruction. Every certificate shall specifically state what course of study the holder has completed and for what length of time such certificate is valid in the schools of the state.

Sec. 737. RCW 28B.40.310 and 1977 ex.s. c 169 s 75 are each amended to read as follows:

It shall thereupon be the duty of the board of the school district or districts with which such statement has been filed, to apportion for attendance to the said model school or training department, a sufficient number of pupils from the public schools under the supervision of said board as will furnish to The Evergreen State College the number of pupils required in order to maintain such facility: PROVIDED, That the president of said state college may refuse to accept any such pupil as in his or her judgment would tend to reduce the efficiency of said model school or training department.

Sec. 738. RCW 28B.50.060 and 1994 c 154 s 306 are each amended to read as follows:

A director of the state system of community and technical colleges shall be appointed by the college board and shall serve at the pleasure of the college board. The director shall be appointed with due regard to the applicant's fitness and background in education, and knowledge of and recent practical experience in the field of educational administration particularly in institutions beyond the high school level. The college board may also take into consideration an applicant's proven management background even though not particularly in the field of education.

The director shall devote his or her time to the duties of his or her office and shall not have any direct pecuniary interest in or any stock or bonds of any business connected with or selling supplies to the field of education within this state, in keeping with chapter 42.52 RCW.

The director shall receive a salary to be fixed by the college board and shall be reimbursed for travel expenses incurred in the discharge of his or her official duties in accordance with RCW 43.03.050 and 43.03.060.

The director shall be the executive officer of the college board and serve as its secretary and under its supervision shall administer the provisions of this chapter and the rules and orders established thereunder and all other laws of the state. The director shall attend, but not vote at, all meetings of the college board. The director shall be in charge of offices of the college board and responsible to the college board for the preparation of reports and the collection and dissemination of data and other public information relating to the state system of community and technical colleges. At the direction of the college board, the director shall, together with the ~~((chairman))~~ chair of the college board, execute all contracts entered into by the college board.

The director shall, with the approval of the college board: (1) Employ necessary assistant directors of major staff divisions who shall serve at the director's pleasure on such terms and conditions as the director determines, and (2) subject to the provisions of chapter 41.06 RCW the director shall, with the approval of the college board, appoint and employ such field and office assistants, clerks and other employees as may be required and authorized for the proper discharge of the functions of the college board and for whose services funds have been appropriated.

The board may, by written order filed in its office, delegate to the director any of the powers and duties vested in or imposed upon it by this chapter. Such delegated powers and duties may be exercised by the director in the name of the college board.

Sec. 739. RCW 28B.50.100 and 1991 c 238 s 37 are each amended to read as follows:

There is hereby created a board of trustees for each college district as set forth in this chapter. Each board of trustees shall be composed of five trustees, who shall be appointed by the governor for terms commencing October 1st of the year in which appointed. In making such appointments the governor shall give consideration to geographical diversity, and representing labor, business, women, and racial and ethnic minorities, in the membership of the boards of trustees. The boards of trustees for districts containing technical colleges shall include at least one member from business and one member from labor.

The successors of the trustees initially appointed shall be appointed by the governor to serve for a term of five years except that any person appointed to fill a vacancy occurring prior to the expiration of any term shall be appointed only for the remainder of the term. Each member shall serve until a successor is appointed and qualified.

Every trustee shall be a resident and qualified elector of the college district. No trustee may be an employee of the community and technical college system, a member of the board of directors of any school district, or a member of the governing board of any public or private educational institution.

Each board of trustees shall organize itself by electing a ~~((chairman))~~ chair from its members. The board shall adopt a seal and may adopt such bylaws, rules, and regulations as it deems necessary for its own government. Three members of the board shall constitute a quorum, but a lesser number may adjourn from time to time and may compel the attendance of absent members in such manner as prescribed in its bylaws, rules, or regulations. The district president, or if there be none, the president of the college, shall serve as, or may designate another person to serve as, the secretary of the board, who shall not be deemed to be a member of the board.

Members of the boards of trustees may be removed for misconduct or malfeasance in office in the manner provided by RCW 28B.10.500.

Sec. 740. RCW 28B.50.350 and 1991 c 238 s 50 are each amended to read as follows:

For the purpose of financing the cost of any projects, the college board is hereby authorized to adopt the resolution or resolutions and prepare all other documents necessary for the issuance, sale, and delivery of the bonds or any part thereof at such time or times as it shall deem necessary and advisable. Said bonds:

(1) Shall not constitute:

- (a) An obligation, either general or special, of the state; or
- (b) A general obligation of the college or of the college board;

(2) Shall be:

- (a) Either registered or in coupon form; and
- (b) Issued in denominations of not less than one hundred dollars; and
- (c) Fully negotiable instruments under the laws of this state; and

(d) Signed on behalf of the college board with the manual or facsimile signature of the ~~((chairman))~~ chair of the board, attested by the secretary of the board, have the seal of the college board impressed thereon or a facsimile of such seal printed or lithographed in the bottom border thereof, and the coupons attached thereto shall be signed with the facsimile signatures of such ~~((chairman))~~ chair and the secretary;

(3) Shall state:

- (a) The date of issue; and
- (b) The series of the issue and be consecutively numbered within the series;

and

(c) That the bond is payable both principal and interest solely out of the bond retirement fund created for retirement thereof;

(4) Each series of bonds shall bear interest, payable either annually or semiannually, as the board may determine;

(5) Shall be payable both principal and interest out of the bond retirement fund;

(6) Shall be payable at such times over a period of not to exceed forty years from date of issuance, at such place or places, and with such reserved rights of prior redemption, as the board may prescribe;

(7) Shall be sold in such manner and at such price as the board may prescribe;

(8) Shall be issued under and subject to such terms, conditions and covenants providing for the payment of the principal thereof and interest thereon and such other terms, conditions, covenants, and protective provisions safeguarding such payment, not inconsistent with RCW 28B.50.330 through 28B.50.400, and as found to be necessary by the board for the most advantageous sale thereof, which may include but not be limited to:

(a) A covenant that a reserve account shall be created in the bond retirement fund to secure the payment of the principal of and interest on all bonds issued and a provision made that certain amounts be set aside and maintained therein;

(b) A covenant that sufficient moneys may be transferred from the capital projects account of the college board issuing the bonds to the bond retirement fund of the college board when ordered by the board in the event there is ever an insufficient amount of money in the bond retirement fund to pay any installment of interest or principal and interest coming due on the bonds or any of them;

(c) A covenant fixing conditions under which bonds on a parity with any bonds outstanding may be issued.

The proceeds of the sale of all bonds, exclusive of accrued interest which shall be deposited in the bond retirement fund, shall be deposited in the state treasury to the credit of the capital projects account of the college board and shall be used solely for paying the costs of the projects, the costs of bond counsel and professional bond consultants incurred in issuing the bonds, and for the purposes set forth in subsection (8)(b) of this section;

(9) Shall constitute a prior lien and charge against the building fees of the community and technical colleges.

Sec. 741. RCW 28B.50.856 and 1969 ex.s. c 283 s 36 are each amended to read as follows:

The probationary faculty appointment period shall be one of continuing evaluation of a probationer by a review committee. The evaluation process shall place primary importance upon the probationer's effectiveness in his or her appointment. The review committee shall periodically advise each probationer, in writing, of his or her progress during the probationary period and receive the probationer's written acknowledgment thereof. The review committee shall at appropriate times make recommendations to the appointing authority as to whether tenure should or should not be granted to individual probationers: PROVIDED, That the final decision to award or withhold tenure shall rest with the appointing authority, after it has given reasonable consideration to the recommendations of the review committee.

Sec. 742. RCW 28B.50.860 and 1977 ex.s. c 282 s 7 are each amended to read as follows:

A tenured faculty member, upon appointment to an administrative appointment shall be allowed to retain his or her tenure.

Sec. 743. RCW 28B.50.863 and 1969 ex.s. c 283 s 41 are each amended to read as follows:

Prior to the dismissal of a tenured faculty member, or a faculty member holding an unexpired probationary faculty appointment, the case shall first be reviewed by a review committee. The review shall include testimony from all interested parties including, but not limited to, other faculty members and students. The faculty member whose case is being reviewed shall be afforded the right of cross-examination and the opportunity to defend himself or herself. The review committee shall prepare recommendations on the action they propose be taken and submit such recommendations to the appointing authority prior to their final action.

Sec. 744. RCW 30.04.140 and 1986 c 279 s 7 are each amended to read as follows:

No bank or trust company shall pledge or hypothecate any of its securities or assets to any depositor, except that it may qualify as depository for United States deposits, or other public funds, or funds held in trust and deposited by any public officer by virtue of his or her office, or as a depository for the money of estates under the statutes of the United States pertaining to bankruptcy or funds deposited by a trustee or receiver in bankruptcy appointed by any court of the United States or any referee thereof, or funds held by the United States or the state of Washington, or any officer thereof in trust, or for funds of corporations owned or controlled by the United States, and may give such security for such deposits as are required by law or by the officer making the same; and it may give security to its trust department for deposits with itself which represent trust funds invested in savings accounts or which represent fiduciary funds awaiting investment or distribution.

Sec. 745. RCW 30.04.300 and 1955 c 33 s 30.04.300 are each amended to read as follows:

A branch of any foreign bank or banker actually and publicly engaged in banking in this state on March 10, 1917, in full compliance with the laws hereof, which were in force immediately prior to March 10, 1917, and which branch has a capital not less in amount than that required for the organization of a state bank as provided in this title at the time and place when and where such branch was established, may continue its said business, subject to all of the regulations and supervision provided for banks. The amount upon which it pays taxes shall be prima facie evidence of the amount and existence of such capital. No such bank or banker shall set forth on its or his or her stationery or in any manner advertise in this state a greater capital, surplus and undivided profits than are actually maintained at such branch. Every foreign corporation, bank and banker, and every officer, agent, and employee thereof who violates any provision of this section or which violates the terms of the resolution filed as required by RCW 30.04.290 shall for each violation forfeit and pay to the state of Washington the sum of one thousand dollars. A civil action for the recovery of any such sum may be brought by the attorney general in the name of the state.

Sec. 746. RCW 30.08.150 and 1973 1st ex.s. c 154 s 48 are each amended to read as follows:

Upon the issuance of a certificate of authority to a trust company, the persons named in the articles of incorporation and their successors shall thereupon become a corporation and shall have power:

(1) To execute all the powers and possess all the privileges conferred on banks.

(2) To act as fiscal or transfer agent of the United States or of any state, municipality, body politic, or corporation and in such capacity to receive and disburse money.

(3) To transfer, register, and countersign certificates of stock, bonds, or other evidences of indebtedness and to act as attorney-in-fact or agent of any corporation, foreign or domestic, for any purpose, statutory or otherwise.

(4) To act as trustee under any mortgage, or bonds, issued by any municipality, body politic, or corporation, foreign or domestic, or by any individual, firm, association, or partnership, and to accept and execute any municipal or corporate trust.

(5) To receive and manage any sinking fund of any corporation upon such terms as may be agreed upon between such corporation and those dealing with it.

(6) To collect coupons on or interest upon all manner of securities, when authorized so to do, by the parties depositing the same.

(7) To accept trusts from and execute trusts for married persons in respect to their separate property and to be their agent in the management of such property and to transact any business in relation thereto.

(8) To act as receiver or trustee of the estate of any person, or to be appointed to any trust by any court, to act as assignee under any assignment for the benefit of creditors of any debtor, whether made pursuant to statute or otherwise, and to be the depository of any moneys paid into court.

(9) To be appointed and to accept the appointment of executor of, or trustee under, the last will and testament, or administrator with or without the will annexed, of the estate of any deceased person and to be appointed and to act as guardian of the estate of lunatics, idiots, persons of unsound mind, minors and habitual drunkards: PROVIDED, HOWEVER, That the power hereby granted to trust companies to act as guardian or administrator, with or without the will annexed, shall not be construed to deprive parties of the prior right to have issued to them letters of guardianship, or of administration, as such right now exists under the law of this state.

(10) To execute any trust or power of whatever nature or description that may be conferred upon or entrusted or committed to it by any person or by any court or municipality, foreign or domestic corporation, and any other trust or power conferred upon or entrusted or committed to it by grant, assignment, transfer, devise, bequest, or by any other authority and to receive, take, use, manage, hold, and dispose of, according to the terms of such trusts or powers any property or estate, real or personal, which may be the subject of any such trust or power.

(11) Generally to execute trusts of every description not inconsistent with law.

(12) To purchase, invest in, and sell promissory notes, bills of exchange, bonds, debentures, and mortgages and when moneys are borrowed or received for investment, the bonds or obligations of the company may be given therefor, but no trust company hereafter organized shall issue such bonds: PROVIDED,

That no trust company which receives money for investment and issues the bonds of the company therefor shall engage in the business of banking or receiving of either savings or commercial deposits: AND PROVIDED, That it shall not issue any bond covering a period of more than ten years between the date of its issuance and its maturity date: AND PROVIDED FURTHER, That if for any cause, the holder of any such bond upon which one or more annual rate installments have been paid, shall fail to pay the subsequent annual rate installments provided in said bond such holder shall, on or before the maturity date of said bond, be paid not less than the full sum which he or she has paid in on account of said bond.

Sec. 747. RCW 30.22.040 and 1981 c 192 s 4 are each amended to read as follows:

Unless the context of this chapter otherwise requires, the terms contained in this section have the meanings indicated.

(1) "Account" means a contract of deposit between a depositor or depositors and a financial institution; the term includes a checking account, savings account, certificate of deposit, savings certificate, share account, savings bond, and other like arrangements.

(2) "Actual knowledge" means written notice to a manager of a branch of a financial institution, or an officer of the financial institution in the course of his or her employment at the branch, pertaining to funds held on deposit in an account maintained by the branch received within a period of time which affords the financial institution a reasonable opportunity to act upon the knowledge.

(3) "Individual" means a human being; "person" includes an individual, corporation, partnership, limited partnership, joint venture, trust, or other entity recognized by law to have separate legal powers.

(4) "Agent" means a person designated by a depositor or depositors in a contract of deposit or other document to have the authority to deposit and to make payments from an account in the name of the depositor or depositors.

(5) "Agency account" means an account to which funds may be deposited and from which payments may be made by an agent designated by a depositor. In the event there is more than one depositor named on an account, each depositor may designate the same or a different agent for the purpose of depositing to or making payments of funds from a depositor's account.

(6) "Single account" means an account in the name of one depositor only.

(7) "Joint account without right of survivorship" means an account in the name of two or more depositors and which contains no provision that the funds of a deceased depositor become the property of the surviving depositor or depositors.

(8) "Joint account with right of survivorship" means an account in the name of two or more depositors and which provides that the funds of a deceased depositor become the property of one or more of the surviving depositors.

(9) "Trust and P.O.D. accounts" means accounts payable on request to a depositor during the depositor's lifetime, and upon the depositor's death to one or more designated beneficiaries, or which are payable to two or more depositors during their lifetimes, and upon the death of all depositors to one or more designated beneficiaries. The term "trust account" does not include deposits by trustees or other fiduciaries where the trust or fiduciary relationship is established other than by a contract of deposit with a financial institution.

(10) "Trust or P.O.D. account beneficiary" means a person or persons, other than a codepositor, who has or have been designated by a depositor or depositors to receive the depositor's funds remaining in an account upon the death of a depositor or all depositors.

(11) "Depositor," when utilized in determining the rights of individuals to funds in an account, means an individual who owns the funds. When utilized in determining the rights of a financial institution to make or withhold payment, and/or to take any other action with regard to funds held under a contract of deposit, "depositor" means the individual or individuals who have the current right to payment of funds held under the contract of deposit without regard to the actual rights of ownership thereof by these individuals. A trust or P.O.D. account beneficiary becomes a depositor only when the account becomes payable to the beneficiary by reason of having survived the depositor or depositors named on the account, depending upon the provisions of the contract of deposit.

(12) "Financial institution" means a bank, trust company, mutual savings bank, savings and loan association, or credit union authorized to do business and accept deposits in this state under state or federal law.

(13) "Depositor's funds" or "funds of a depositor" means the amount of all deposits belonging to or made for the benefit of a depositor, less all withdrawals of the funds by the depositor or by others for the depositor's benefit, plus the depositor's prorated share of any interest or dividends included in the current balance of the account and any proceeds of deposit life insurance added to the account by reason of the death of a depositor.

(14) "Payment(s)" of sums on deposit includes withdrawal, payment by check or other directive of a depositor or his or her agent, any pledge of sums on deposit by a depositor or his or her agent, any set-off or reduction or other disposition of all or part of an account balance, and any payments to any person under RCW 30.22.120, 30.22.140, 30.22.150, 30.22.160, 30.22.170, 30.22.180, 30.22.190, 30.22.200, and 30.22.220.

(15) "Proof of death" means a certified or authenticated copy of a death certificate, or photostatic copy thereof, purporting to be issued by an official or agency of the jurisdiction where the death purportedly occurred, or a certified or authenticated copy of a record or report of a governmental agency, domestic or foreign, that a person is dead. In either case, the proofs constitute prima facie proof of the fact, place, date, and time of death, and identity of the decedent and the status of the dates, circumstances, and places disclosed by the record or report.

(16) "Request" means a request for withdrawal, or a check or order for payment, which complies with all conditions of the account, including special requirements concerning necessary signatures and regulations of the financial institution; but if the financial institution conditions withdrawal or payment on advance notice, for purposes of this chapter the request for withdrawal or payment is treated as immediately effective and a notice of intent to withdraw is treated as a request for withdrawal.

(17) "Withdrawal" means payment to a person pursuant to check or other directive of a depositor.

Sec. 748. RCW 30.22.150 and 1981 c 192 s 15 are each amended to read as follows:

Financial institutions may make payments of funds on deposit in an account established by a depositor who is a minor or incompetent without regard to whether it has actual knowledge of the minority or incompetency of the depositor unless the branch of the financial institution at which the account is maintained has received written notice to withhold payment to the minor or incompetent by the guardian of his or her estate and had a reasonable opportunity to act upon the notice.

Sec. 749. RCW 30.49.050 and 1955 c 33 s 30.49.050 are each amended to read as follows:

To be effective, a merger which is to result in a state bank must be approved by the stockholders of each merging state bank by a vote of two-thirds of the outstanding voting stock of each class at a meeting called to consider such action, which vote shall constitute the adoption of the charter and bylaws of the resulting state bank, including the amendments in the merger agreement.

Unless waived in writing, notice of the meeting of stockholders shall be given by publication in a newspaper of general circulation in the place where the principal office of each merging state bank is located, at least once each week for four successive weeks, and by mail, at least fifteen days before the date of the meeting, to each stockholder of record of each merging state bank at his or her address on the books of his or her bank; no notice of publication need be given if written waivers are received from the holders of two-thirds of the outstanding shares of each class of stock. The notice shall state that dissenting stockholders will be entitled to payment of the value of only those shares which are voted against approval of the plan.

Sec. 750. RCW 31.20.050 and 1959 c 213 s 5 are each amended to read as follows:

All the corporate powers of a development credit corporation shall be exercised by a board of not less than nine directors who shall be residents of this state. The number of directors and their term of office shall be determined by the stockholders at the first meeting held by the incorporators and at each annual meeting thereafter. In the first instance the directors shall be elected by the stockholders to serve until the first annual meeting. At the first annual meeting, and at each annual meeting thereafter, one-third of the directors shall be elected by a vote of the stockholders and the remaining two-thirds thereof shall be elected by members of the corporation herein provided for, each member having one vote. The removal of any director from this state shall immediately vacate his or her office. If any vacancy occurs in the board of directors through death, resignation, or otherwise, the remaining directors may elect a person to fill the vacancy until the next annual meeting of the corporation. The directors shall be annually sworn to the proper discharge of their duties and they shall hold office until others are elected or appointed and qualified in their stead.

Sec. 751. RCW 32.12.120 and 1981 c 192 s 31 are each amended to read as follows:

Notice to any mutual savings bank doing business in this state of an adverse claim to a deposit standing on its books to the credit of any person shall not be effectual to cause said bank to recognize said adverse claimant unless said adverse claimant shall also either procure a restraining order, injunction, or other appropriate process against said bank from a court of competent jurisdiction in a

cause therein instituted by him or her wherein the person to whose credit the deposit stands is made a party and served with summons or shall execute to said bank, in form and with sureties acceptable to it, a bond, in an amount which is double either the amount of said deposit or said adverse claim, whichever is the lesser, indemnifying said bank from any and all liability, loss, damage, costs, and expenses, for and on account of the payment of such adverse claim or the dishonor of the check or other order of the person to whose credit the deposit stands on the books of said bank: PROVIDED, That this law shall not apply in any instance where the person to whose credit the deposit stands is a fiduciary for such adverse claimant, and the facts constituting such relationship as also the facts showing reasonable cause of belief on the part of said claimant that the said fiduciary is about to misappropriate said deposit, are made to appear by the affidavit of such claimant.

This section shall not apply to accounts subject to chapter 30.22 RCW.

Sec. 752. RCW 32.16.010 and 1985 c 56 s 8 are each amended to read as follows:

(1) There shall be a board of trustees who shall have the entire management and control of the affairs of the savings bank. The persons named in the certificate of authorization shall be the first trustees. The board shall consist of not less than nine nor more than thirty members.

(2) A person shall not be a trustee of a savings bank, if he or she:

(a) Is not a resident of a state of the United States;

(b) Has been adjudicated a bankrupt or has taken the benefit of any insolvency law, or has made a general assignment for the benefit of creditors;

(c) Has suffered a judgment recovered against him or her for a sum of money to remain unsatisfied of record or unsecured on appeal for a period of more than three months;

(d) Is a trustee, officer, clerk, or other employee of any other savings bank.

(3) Nor shall a person be a trustee of a savings bank solely by reason of his or her holding public office.

Sec. 753. RCW 32.16.012 and 1969 c 55 s 14 are each amended to read as follows:

The bylaws of a savings bank may prescribe a maximum age beyond which no person shall be eligible for election to the board of trustees and may prescribe a mandatory retirement age of seventy-five years or less for trustees subject to the following limitations:

(1) No person shall be eligible for initial election as a trustee after December 31, 1969, who is seventy years of age or more; and

(2) No person shall continue to serve as a trustee after December 31, 1973, who is seventy-five years of age or more and the office of any such trustee shall become vacant on the last day of the month in which the trustee reaches his or her seventy-fifth birthday or December 31, 1973, whichever is the latest.

If a savings bank does not adopt a bylaw prescribing a mandatory retirement age for trustees prior to January 1, 1970, or does not maintain thereafter a bylaw prescribing a mandatory retirement age, the office of a trustee of such savings bank shall become vacant on the last day of the month in which such trustee reaches his or her seventieth birthday or on December 31, 1969, whichever is the latest.

Sec. 754. RCW 32.16.130 and 1971 ex.s. c 222 s 2 are each amended to read as follows:

In the event a savings and loan association is converted to a mutual savings bank, any person, who at the time of such conversion was a director of the savings and loan association, may serve as a trustee of the mutual savings bank until he or she reaches the age of seventy-five years or until one year following the date of conversion of such savings and loan association, whichever is later. The bylaws of any mutual savings bank may modify this provision by requiring earlier retirement of any trustee affected hereby.

Sec. 755. RCW 32.32.025 and 1995 c 134 s 7 are each amended to read as follows:

As used in this chapter, the following definitions apply, unless the context otherwise requires:

(1) Except as provided in RCW 32.32.230, an "affiliate" of, or a person "affiliated" with, a specified person, is a person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, the person specified.

(2) The term "amount," when used in regard to securities, means the principal amount if relating to evidences of indebtedness, the number of shares if relating to shares, and the number of units if relating to any other kind of security.

(3) An "applicant" is a mutual savings bank which has applied to convert pursuant to this chapter.

(4) The term "associate," when used to indicate a relationship with any person, means (a) any corporation or organization (other than the applicant or a majority-owned subsidiary of the applicant) of which the person is an officer or partner or is, directly or indirectly, the beneficial owner of ten percent or more of any class of equity securities, (b) any trust or other estate in which the person has a substantial beneficial interest or as to which the person serves as trustee or in a similar fiduciary capacity, and (c) any relative who would be a "class A beneficiary" if the person were a decedent.

(5) The term "broker" means any person engaged in the business of effecting transactions in securities for the account of others.

(6) The term "capital stock" includes permanent stock, guaranty stock, permanent reserve stock, any similar certificate evidencing nonwithdrawable capital, or preferred stock, of a savings bank converted under this chapter or of a subsidiary institution or holding company.

(7) The term "charter" includes articles of incorporation, articles of reincorporation, and certificates of incorporation, as amended, effecting (either with or without filing with any governmental agency) the organization or creation of an incorporated person.

(8) Except as provided in RCW 32.32.230, the term "control" (including the terms "controlling," "controlled by," and "under common control with") means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a person, whether through the ownership of voting securities, by contract, or otherwise.

(9) The term "dealer" means any person who engages either for all or part of his or her time, directly or indirectly, as agent, broker, or principal, in the

business of offering, buying, selling, or otherwise dealing or trading in securities issued by another person.

(10) The term "deposits" refers to the deposits of a savings bank that is converting under this chapter, and may refer in addition to the deposits or share accounts of any other financial institution that is converting to the stock form in connection with a merger with and into a savings bank.

(11) The term "director" means any director of a corporation, any trustee of a mutual savings bank, or any person performing similar functions with respect to any organization whether incorporated or unincorporated.

(12) The term "eligibility record date" means the record date for determining eligible account holders of a converting mutual savings bank.

(13) The term "eligible account holder" means any person holding a qualifying deposit as determined in accordance with RCW 32.32.180.

(14) The term "employee" does not include a director or officer.

(15) The term "equity security" means any stock or similar security; or any security convertible, with or without consideration, into such a security, or carrying any warrant or right to subscribe to or purchase such a security; or any such warrant or right.

(16) The term "market maker" means a dealer who, with respect to a particular security, (a) regularly publishes bona fide, competitive bid and offer quotations in a recognized interdealer quotation system; or (b) furnishes bona fide competitive bid and offer quotations on request; and (c) is ready, willing, and able to effect transaction in reasonable quantities at his or her quoted prices with other brokers or dealers.

(17) The term "material," when used to qualify a requirement for the furnishing of information as to any subject, limits the information required to those matters as to which an average prudent investor ought reasonably to be informed before purchasing an equity security of the applicant.

(18) The term "mutual savings bank" means a mutual savings bank organized and operating under Title 32 RCW.

(19) Except as provided in RCW 32.32.435, the term "offer," "offer to sell," or "offer of sale" shall include every attempt or offer to dispose of, or solicitation of an offer to buy, a security or interest in a security, for value. These terms shall not include preliminary negotiations or agreements between an applicant and any underwriter or among underwriters who are or are to be in privity of contract with an applicant.

(20) The term "officer," for purposes of the purchase of stock in a conversion under this chapter or the sale of this stock, means the ~~((chairman))~~ chair of the board, president, vice president, secretary, treasurer or principal financial officer, comptroller or principal accounting officer, and any other person performing similar functions with respect to any organization whether incorporated or unincorporated.

(21) Except as provided in RCW 32.32.435, the term "person" means an individual, a corporation, a partnership, an association, a joint-stock company, a trust, any unincorporated organization, or a government or political subdivision thereof.

(22) The term "proxy" includes every form of authorization by which a person is or may be deemed to be designated to act for a stockholder in the

exercise of his or her voting rights in the affairs of an institution. Such an authorization may take the form of failure to dissent or object.

(23) The terms "purchase" and "buy" include every contract to purchase, buy, or otherwise acquire a security or interest in a security for value.

(24) The terms "sale" and "sell" include every contract to sell or otherwise dispose of a security or interest in a security for value; but these terms do not include an exchange of securities in connection with a merger or acquisition approved by the director.

(25) The term "savings account" means deposits established in a mutual savings bank and includes certificates of deposit.

(26) Except as provided in RCW 32.32.435, the term "security" includes any note, stock, treasury stock, bond, debenture, transferable share, investment contract, voting-trust certificate, or in general, any instrument commonly known as a "security"; or any certificate of interest or participation in, temporary or interim certificate for, receipt for, or warrant or right to subscribe to or purchase any of the foregoing.

(27) The term "series of preferred stock" refers to a subdivision, within a class of preferred stock, each share of which has preferences, limitations, and relative rights identical with those of other shares of the same series.

(28) The term "subscription offering" refers to the offering of shares of capital stock, through nontransferable subscription rights issued to: (a) Eligible account holders as required by RCW 32.32.045; (b) supplemental eligible account holders as required by RCW 32.32.055; (c) directors, officers, and employees, as permitted by RCW 32.32.140; and (d) eligible account holders and supplemental eligible account holders as permitted by RCW 32.32.145.

(29) A "subsidiary" of a specified person is an affiliate controlled by the person, directly or indirectly through one or more intermediaries.

(30) The term "supplemental eligibility record date" means the supplemental record date for determining supplemental eligible account holders of a converting savings bank required by RCW 32.32.055. The date shall be the last day of the calendar quarter preceding director approval of the application for conversion.

(31) The term "supplemental eligible account holder" means any person holding a qualifying deposit, except officers, directors, and their associates, as of the supplemental eligibility record date.

(32) The term "underwriter" means any person who has purchased from an applicant with a view to, or offers or sells for an applicant in connection with, the distribution of any security, or participates or has a direct or indirect participation in the direct or indirect underwriting of any such undertaking; but the term does not include a person whose interest is limited to a commission from an underwriter or dealer not in excess of the usual and customary distributors' or sellers commission. The term "principal underwriter" means an underwriter in privity of contract with the applicant or other issuer of securities as to which that person is the underwriter.

Terms defined in other chapters of this title, when used in this chapter, shall have the meanings given in those definitions, to the extent those definitions are not inconsistent with the definitions contained in this chapter unless the context otherwise requires.

Sec. 756. RCW 32.32.045 and 1981 c 85 s 8 are each amended to read as follows:

Each eligible account holder shall receive, without payment, nontransferable subscription rights to purchase capital stock in an amount equal to the greatest of two hundred shares, one-tenth of one percent of the total offering of shares, or fifteen times the product (rounded down to the next whole number) obtained by multiplying the total number of shares of capital stock to be issued by a fraction of which the numerator is the amount of the qualifying deposit of the eligible account holder and the denominator is the total amount of qualifying deposits of all eligible account holders in the converting savings bank. If the allotment made in this section results in an oversubscription, shares shall be allocated among subscribing eligible account holders so as to permit each such account holder, to the extent possible, to purchase a number of shares sufficient to make his or her total allocation equal to one hundred shares. Any shares not so allocated shall be allocated among the subscribing eligible account holders on such equitable basis, related to the amounts of their respective qualifying deposits, as may be provided in the plan of conversion.

Sec. 757. RCW 33.16.020 and 1982 c 3 s 28 are each amended to read as follows:

The board of directors shall be elected at the annual meeting, unless the bylaws of the association otherwise provide.

A person shall not be a director of an association if the person has been adjudicated bankrupt or has taken the benefit of any assignment for the benefit of creditors or has suffered a judgment recovered against him or her for a sum of money to remain unsatisfied of record or un-superseded on appeal for a period of more than three months.

To be eligible to hold the position of director of an association, a person must have savings or stock or a combination thereof in the sum or the aggregate sum of at least one thousand dollars. Such minimum amount shall not be reduced either by withdrawal or by pledge for a loan or in any other manner, so long as he or she remains a director of the association.

Sec. 758. RCW 33.16.050 and 1982 c 3 s 31 are each amended to read as follows:

If a director becomes ineligible or if the director's conduct or habits are such as to reflect discredit upon the association or if other good cause exists, the director may be removed from office by an affirmative vote of two-thirds of the members of the board of directors at any regular meeting of the board or at any special meeting called for that purpose. No such vote upon removal of a director shall be taken until the director has been advised of the reasons therefor and has had opportunity to submit to the board of directors a statement relative thereto, either oral or written. If the director affected is present at the meeting, he or she shall leave the place where the meeting is being held after his or her statement has been submitted and prior to the vote upon the matter of his or her removal.

Sec. 759. RCW 33.16.090 and 1994 c 256 s 123 are each amended to read as follows:

The board of directors of each association shall hold a regular meeting at least once each quarter and whenever required by the director, at a time to be

designated by it. Special meetings of the board of directors may be held upon notice to each director sufficient to permit his or her attendance.

At any meeting of the board of directors, a majority of the members shall constitute a quorum for the transaction of business.

The president of the association or (~~chairman~~) chair of the board or any three members of the board may call a meeting of the board by giving notice to all of the directors.

Sec. 760. RCW 33.20.010 and 1982 c 3 s 37 are each amended to read as follows:

Each member having deposits in a mutual association shall have a proportionate proprietary interest in its assets or net earnings subordinate to the claims of its other creditors. At any meeting of the members of a mutual association, each member shall be entitled to at least one vote. A mutual association, by its bylaws, may provide that each member shall be entitled to one vote for each one hundred dollars of the member's deposit account. At any meeting of the members, voting may be in person or by proxy. Proxies shall be in writing and signed by the member and, when filed with the secretary, shall continue in force until revoked or superseded by subsequent proxies. Written notice of the time and place of the holding of special meetings (other than the regular annual meeting) shall be mailed to each member at his or her last known address not more than thirty days, nor less than ten days prior to the meeting. The regular annual meeting of the mutual association shall be announced by publication of a notice thereof in a newspaper published in the city or town, or, if the association is not in a city or town, in the county in which the association is located at least ten days prior to the date of such meeting, or by ten days' written notice to the members mailed to the last known address of each member.

Sec. 761. RCW 33.20.040 and 1982 c 3 s 38 are each amended to read as follows:

Subject to chapter 30.22 RCW, minors may become depositors or members of an association and all contracts entered into between a minor and an association, with respect to his or her membership or his or her deposits therein, shall be valid and enforceable, and a minor may not disaffirm, because of his or her minority, any such membership or agreement in connection therewith.

Sec. 762. RCW 34.05.010 and 1997 c 126 s 2 are each amended to read as follows:

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

(1) "Adjudicative proceeding" means a proceeding before an agency in which an opportunity for hearing before that agency is required by statute or constitutional right before or after the entry of an order by the agency. Adjudicative proceedings also include all cases of licensing and rate making in which an application for a license or rate change is denied except as limited by RCW 66.08.150, or a license is revoked, suspended, or modified, or in which the granting of an application is contested by a person having standing to contest under the law.

(2) "Agency" means any state board, commission, department, institution of higher education, or officer, authorized by law to make rules or to conduct adjudicative proceedings, except those in the legislative or judicial branches, the

governor, or the attorney general except to the extent otherwise required by law and any local governmental entity that may request the appointment of an administrative law judge under chapter 42.41 RCW.

(3) "Agency action" means licensing, the implementation or enforcement of a statute, the adoption or application of an agency rule or order, the imposition of sanctions, or the granting or withholding of benefits.

Agency action does not include an agency decision regarding (a) contracting or procurement of goods, services, public works, and the purchase, lease, or acquisition by any other means, including eminent domain, of real estate, as well as all activities necessarily related to those functions, or (b) determinations as to the sufficiency of a showing of interest filed in support of a representation petition, or mediation or conciliation of labor disputes or arbitration of labor disputes under a collective bargaining law or similar statute, or (c) any sale, lease, contract, or other proprietary decision in the management of public lands or real property interests, or (d) the granting of a license, franchise, or permission for the use of trademarks, symbols, and similar property owned or controlled by the agency.

(4) "Agency head" means the individual or body of individuals in whom the ultimate legal authority of the agency is vested by any provision of law. If the agency head is a body of individuals, a majority of those individuals constitutes the agency head.

(5) "Entry" of an order means the signing of the order by all persons who are to sign the order, as an official act indicating that the order is to be effective.

(6) "Filing" of a document that is required to be filed with an agency means delivery of the document to a place designated by the agency by rule for receipt of official documents, or in the absence of such designation, at the office of the agency head.

(7) "Institutions of higher education" are the University of Washington, Washington State University, Central Washington University, Eastern Washington University, Western Washington University, The Evergreen State College, the various community colleges, and the governing boards of each of the above, and the various colleges, divisions, departments, or offices authorized by the governing board of the institution involved to act for the institution, all of which are sometimes referred to in this chapter as "institutions."

(8) "Interpretive statement" means a written expression of the opinion of an agency, entitled an interpretive statement by the agency head or its designee, as to the meaning of a statute or other provision of law, of a court decision, or of an agency order.

(9)(a) "License" means a franchise, permit, certification, approval, registration, charter, or similar form of authorization required by law, but does not include (i) a license required solely for revenue purposes, or (ii) a certification of an exclusive bargaining representative, or similar status, under a collective bargaining law or similar statute, or (iii) a license, franchise, or permission for use of trademarks, symbols, and similar property owned or controlled by the agency.

(b) "Licensing" includes the agency process respecting the issuance, denial, revocation, suspension, or modification of a license.

(10) "Mail" or "send," for purposes of any notice relating to rule making or policy or interpretive statements, means regular mail or electronic distribution,

as provided in RCW 34.05.260. "Electronic distribution" or "electronically" means distribution by electronic mail or facsimile mail.

(11)(a) "Order," without further qualification, means a written statement of particular applicability that finally determines the legal rights, duties, privileges, immunities, or other legal interests of a specific person or persons.

(b) "Order of adoption" means the official written statement by which an agency adopts, amends, or repeals a rule.

(12) "Party to agency proceedings," or "party" in a context so indicating, means:

(a) A person to whom the agency action is specifically directed; or

(b) A person named as a party to the agency proceeding or allowed to intervene or participate as a party in the agency proceeding.

(13) "Party to judicial review or civil enforcement proceedings," or "party" in a context so indicating, means:

(a) A person who files a petition for a judicial review or civil enforcement proceeding; or

(b) A person named as a party in a judicial review or civil enforcement proceeding, or allowed to participate as a party in a judicial review or civil enforcement proceeding.

(14) "Person" means any individual, partnership, corporation, association, governmental subdivision or unit thereof, or public or private organization or entity of any character, and includes another agency.

(15) "Policy statement" means a written description of the current approach of an agency, entitled a policy statement by the agency head or its designee, to implementation of a statute or other provision of law, of a court decision, or of an agency order, including where appropriate the agency's current practice, procedure, or method of action based upon that approach.

(16) "Rule" means any agency order, directive, or regulation of general applicability (a) the violation of which subjects a person to a penalty or administrative sanction; (b) which establishes, alters, or revokes any procedure, practice, or requirement relating to agency hearings; (c) which establishes, alters, or revokes any qualification or requirement relating to the enjoyment of benefits or privileges conferred by law; (d) which establishes, alters, or revokes any qualifications or standards for the issuance, suspension, or revocation of licenses to pursue any commercial activity, trade, or profession; or (e) which establishes, alters, or revokes any mandatory standards for any product or material which must be met before distribution or sale. The term includes the amendment or repeal of a prior rule, but does not include (i) statements concerning only the internal management of an agency and not affecting private rights or procedures available to the public, (ii) declaratory rulings issued pursuant to RCW 34.05.240, (iii) traffic restrictions for motor vehicles, bicyclists, and pedestrians established by the secretary of transportation or his or her designee where notice of such restrictions is given by official traffic control devices, or (iv) rules of institutions of higher education involving standards of admission, academic advancement, academic credit, graduation and the granting of degrees, employment relationships, or fiscal processes.

(17) "Rules review committee" or "committee" means the joint administrative rules review committee created pursuant to RCW 34.05.610 for

the purpose of selectively reviewing existing and proposed rules of state agencies.

(18) "Rule making" means the process for formulation and adoption of a rule.

(19) "Service," except as otherwise provided in this chapter, means posting in the United States mail, properly addressed, postage prepaid, or personal service. Service by mail is complete upon deposit in the United States mail. Agencies may, by rule, authorize service by electronic telefacsimile transmission, where copies are mailed simultaneously, or by commercial parcel delivery company.

Sec. 763. RCW 34.12.060 and 1989 c 175 s 34 are each amended to read as follows:

When an administrative law judge presides at a hearing under this chapter and a majority of the officials of the agency who are to render the final decision have not heard substantially all of the oral testimony and read all exhibits submitted by any party, it shall be the duty of such judge, or in the event of his or her unavailability or incapacity, of another judge appointed by the chief administrative law judge, to issue an initial decision or proposal for decision including findings of fact and conclusions of law in accordance with RCW 34.05.461 or 34.05.485. However, this section does not apply to a state patrol disciplinary hearing conducted under RCW 43.43.090.

Sec. 764. RCW 34.12.140 and 1982 c 189 s 10 are each amended to read as follows:

The amounts to be disbursed from the administrative hearings revolving fund from time to time shall be transferred thereto by the state treasurer from funds appropriated to any and all agencies for administrative hearings expenses on a quarterly basis. Agencies operating in whole or in part from nonappropriated funds shall pay into the administrative hearings revolving fund such funds as will fully reimburse funds appropriated to the office of administrative hearings for any services provided activities financed by nonappropriated funds. The funds from the employment security department for the administrative hearings services provided by the office of administrative hearings shall not exceed that portion of the resources provided to the employment security department by the department of labor, employment and training administration, for such administrative hearings services. To satisfy department of labor funding requirements, the office of administrative hearings shall meet or exceed timeliness standards under federal regulations in the conduct of employment security department appeals.

The director of financial management shall allot all such funds to the office of administrative hearings for the operation of the office, pursuant to appropriation, in the same manner as appropriated funds are allocated to other agencies under chapter 43.88 RCW.

Disbursements from the administrative hearings revolving fund shall be pursuant to vouchers executed by the chief administrative law judge or his or her designee.

Sec. 765. RCW 37.12.021 and 1963 c 36 s 5 are each amended to read as follows:

Whenever the governor of this state shall receive from the majority of any tribe or the tribal council or other governing body, duly recognized by the Bureau of Indian Affairs, of any Indian tribe, community, band, or group in this state a resolution expressing its desire that its people and lands be subject to the criminal or civil jurisdiction of the state of Washington to the full extent authorized by federal law, he or she shall issue within sixty days a proclamation to the effect that such jurisdiction shall apply to all Indians and all Indian territory, reservations, country, and lands of the Indian body involved to the same extent that this state exercises civil and criminal jurisdiction or both elsewhere within the state: PROVIDED, That jurisdiction assumed pursuant to this section shall nevertheless be subject to the limitations set forth in RCW 37.12.060.

Sec. 766. RCW 37.16.180 and 1917 c 4 s 22 are each amended to read as follows:

Pursuant to the Constitution and laws of the United States, and especially to paragraph seventeen of section eight of article one of such Constitution, the consent of the legislature of the state of Washington is hereby given to the United States to acquire by donation from any county acting under the provisions of this chapter, title to all the lands herein intended to be referred to, to be evidenced by the deed or deeds of such county, signed by the ~~((chairman))~~ chair of its board of county commissioners and attested by the clerk of such board under the seal of such board, and the consent of the state of Washington is hereby given to the exercise by the congress of the United States of exclusive legislation in all cases whatsoever, over such tracts or parcels of land so conveyed to it: PROVIDED, Upon such conveyance being concluded, a sufficient description by metes and bounds and an accurate plat or map of each such tract or parcel of land be filed in the auditor's office of the county in which such lands are situated, together with copies of the orders, deeds, patents, or other evidences in writing of the title of the United States: AND PROVIDED, That all civil process issued from the courts of this state, and such criminal process as may issue under the authority of this state against any person charged with crime in cases arising outside of such reservation, may be served and executed thereon in the same mode and manner and by the same officers as if the consent herein given had not been made.

Sec. 767. RCW 38.24.050 and 1989 c 19 s 37 are each amended to read as follows:

Commissioned officers, warrant officers, and enlisted personnel of the organized militia of Washington, while in active state service or inactive duty, are entitled to and shall receive the same amount of pay and allowances from the state of Washington as provided by federal laws and regulations for commissioned officers, warrant officers, and enlisted personnel of the United States army only if federal pay and allowances are not authorized. For periods of such active state service, commissioned officers, warrant officers, and enlisted personnel of the organized militia of Washington shall receive either such pay and allowances or an amount equal to one and one-half of the federal minimum wage, whichever is greater.

The value of articles issued to any member and not returned in good order on demand, and legal fines or forfeitures, may be deducted from the member's pay.

If federal pay and allowances are not authorized, all members detailed to serve on any board or commission ordered by the governor, or on any court-martial ordered by proper authority, may, at the discretion of the adjutant general, be paid a sum equal to one day's active state service for each day actually employed on the board or court or engaged in the business thereof, or in traveling to and from the same; and in addition thereto travel expenses in accordance with RCW 43.03.050 and 43.03.060 as now existing or hereafter amended when such duty is at a place other than the city or town of his or her residence.

Necessary transportation, quartermasters' stores, and subsistence for troops when ordered on active state service may be contracted for and paid for as are other military bills.

Sec. 768. RCW 38.32.030 and 1943 c 130 s 45 are each amended to read as follows:

No person belonging to the military forces of this state shall be arrested on any warrant, except for treason or felony, while going to, remaining at, or returning from any place at which he or she may be required to attend military duty. Any members of the organized militia parading, or performing any duty according to the law shall have the right-of-way in any street or highway through which they may pass and while on field duty shall have the right to enter upon, cross, or occupy any uninclosed lands, or any inclosed lands where no damage will be caused thereby: PROVIDED, That the carriage of the United States mail and legitimate functions of the police and fire departments shall not be interfered with thereby.

Sec. 769. RCW 38.38.328 and 1989 c 48 s 34 are each amended to read as follows:

The trial counsel to whom court-martial charges are referred for trial shall cause to be served upon the accused a copy of the charges upon which trial is to be had. In time of peace no person may, against his or her objection, be brought to trial or be required to participate by himself or herself or counsel in a session called by a military judge under RCW 38.38.380(1), in a general court-martial within a period of five days after the service of the charges upon him or her, or before a special court-martial within a period of three days after the service of the charges upon him or her.

Sec. 770. RCW 38.38.548 and 1963 c 220 s 65 are each amended to read as follows:

(1) If the convening authority disapproves the findings and sentence of a court martial he or she may, except where there is lack of sufficient evidence in the record to support the findings, order a rehearing. In such a case he or she shall state the reasons for disapproval. If he or she disapproves the findings and sentence and does not order a rehearing, he or she shall dismiss the charges.

(2) Each rehearing shall take place before a court martial composed of members not members of the court martial which first heard the case. Upon a rehearing the accused may not be tried for any offense of which he or she was found not guilty by the first court martial, and no sentence in excess of or more

severe than the original sentence may be imposed, unless the sentence is based upon a finding of guilty of an offense not considered upon the merits in the original proceedings, or unless the sentence prescribed for the offense is mandatory.

Sec. 771. RCW 38.38.552 and 1963 c 220 s 66 are each amended to read as follows:

In acting on the findings and sentence of a court martial, the convening authority may approve only such findings of guilty, and the sentence or such part or amount of the sentence, as he or she finds correct in law and fact and as he or she in his or her discretion determines should be approved. Unless he or she indicates otherwise, approval of the sentence is approval of the findings and sentence.

Sec. 772. RCW 38.38.556 and 1989 c 48 s 56 are each amended to read as follows:

(1) If the convening authority is the governor, the governor's action on the review of any record of trial is final.

(2) In all other cases not covered by subsection (1) of this section, if the sentence of a special court-martial as approved by the convening authority includes a dishonorable discharge, whether or not suspended, the entire record shall be sent to the appropriate staff judge advocate of the state force concerned to be reviewed in the same manner as a record of trial by general court-martial. The record and the opinion of the staff judge advocate shall then be sent to the state judge advocate for review.

(3) All other special and summary court-martial records shall be sent to the judge advocate of the appropriate force of the organized militia and shall be acted upon, transmitted, and disposed of as may be prescribed by regulations of the governor.

(4) The state judge advocate shall review the record of trial in each case sent for review as provided under subsection (2) of this section. If the final action of the court-martial has resulted in an acquittal of all charges and specifications, the opinion of the state judge advocate is limited to questions of jurisdiction.

(5) The state judge advocate shall take final action in any case reviewable by the state judge advocate.

(6) In a case reviewable by the state judge advocate under this section, the state judge advocate may act only with respect to the findings and sentence as approved by the convening authority. The state judge advocate may affirm only such findings of guilty, and the sentence or such part or amount of the sentence, as the state judge advocate finds correct in law and fact and determines, on the basis of the entire record, should be approved. In considering the record, the state judge advocate may weigh the evidence, judge the credibility of witnesses, and determine controverted questions of fact, recognizing that the trial court saw and heard the witnesses. If the state judge advocate sets aside the findings and sentence, the state judge advocate may, except where the setting aside is based on lack of sufficient evidence in the record to support the findings, order a rehearing. If the state judge advocate sets aside the findings and sentence and does not order a rehearing, he or she shall order that the charges be dismissed.

(7) In a case reviewable by the state judge advocate under this section, the state judge advocate shall instruct the convening authority to act in accordance

with the state judge advocate's decision on the review. If the state judge advocate has ordered a rehearing but the convening authority finds a rehearing impracticable, the state judge advocate may dismiss the charges.

(8) The state judge advocate may order one or more boards of review each composed of not less than three commissioned officers of the organized militia, each of whom must be a member of the bar of the highest court of the state. Each board of review shall review the record of any trial by special court-martial, including a sentence to a dishonorable discharge, referred to it by the state judge advocate. Boards of review have the same authority on review as the state judge advocate has under this section.

Sec. 773. RCW 38.38.580 and 1989 c 48 s 60 are each amended to read as follows:

(1) Under such regulations as the governor may prescribe, all rights, privileges, and property affected by an executed part of a court-martial sentence which has been set aside or disapproved, except an executed dismissal or discharge, shall be restored unless a new trial or rehearing is ordered and such executed part is included in a sentence imposed upon a new trial or rehearing.

(2) If a previously executed sentence of dishonorable discharge is not imposed on a new trial, the governor shall substitute therefor a form of discharge authorized for administrative issuance unless the accused is to serve out the remainder of his or her enlistment.

(3) If a previously executed sentence of dismissal is not imposed on a new trial, the governor shall substitute therefor a form of discharge authorized for administrative issue, and the commissioned officer dismissed by that sentence may be reappointed by the governor alone to such commissioned grade and with such rank as in the opinion of the governor that former officer would have attained had he or she not been dismissed. The reappointment of such a former officer may be made if a position vacancy is available under applicable tables of organization. All time between the dismissal and reappointment shall be considered as service for all purposes.

Sec. 774. RCW 38.38.628 and 1963 c 220 s 76 are each amended to read as follows:

Any person subject to this code who:

(1) Commits an offense punishable by this code, or aids, abets, counsels, commands, or procures its commission; or

(2) Causes an act to be done which if directly performed by him or her would be punishable by this code; is a principal.

Sec. 775. RCW 38.38.632 and 1963 c 220 s 77 are each amended to read as follows:

Any person subject to this code who, knowing that an offense punishable by this code has been committed, receives, comforts, or assists the offender in order to hinder or prevent his or her apprehension, trial, or punishment shall be punished as a court martial may direct.

Sec. 776. RCW 38.38.648 and 1963 c 220 s 81 are each amended to read as follows:

(1) Any person subject to this code who solicits or advises another or others to desert in violation of RCW 38.38.660 or mutiny in violation of RCW

38.38.696 shall, if the offense solicited or advised is attempted or committed, be punished with the punishment provided for the commission of the offense, but, if the offense solicited or advised is not committed or attempted, he or she shall be punished as a court martial may direct.

(2) Any person subject to this code who solicits or advises another or others to commit an act of misbehavior before the enemy in violation of RCW 38.38.716 or sedition in violation of RCW 38.38.696 shall, if the offense solicited or advised is committed, be punished with the punishment provided for the commission of the offense, but, if the offense solicited or advised is not committed, he or she shall be punished as a court martial may direct.

Sec. 777. RCW 38.38.664 and 1963 c 220 s 85 are each amended to read as follows:

Any person subject to this code who, without authority:

(1) Fails to go to his or her appointed place of duty at the time prescribed;

(2) Goes from that place; or

(3) Absents himself or herself or remains absent from his or her unit, organization, or place of duty at which he or she is required to be at the time prescribed;

shall be punished as a court martial may direct.

Sec. 778. RCW 38.38.668 and 1963 c 220 s 86 are each amended to read as follows:

Any person subject to this code who through neglect or design misses the movement of a ship, aircraft, or unit with which he or she is required in the course of duty to move shall be punished as a court martial may direct.

Sec. 779. RCW 38.38.676 and 1963 c 220 s 88 are each amended to read as follows:

Any person subject to this code who behaves with disrespect towards his or her superior commissioned officer shall be punished as a court martial may direct.

Sec. 780. RCW 38.38.680 and 1963 c 220 s 89 are each amended to read as follows:

Any person subject to this code who:

(1) Strikes his or her superior commissioned officer or draws or lifts up any weapon or offers any violence against him or her while he or she is in the execution of his or her office; or

(2) (~~Willfully~~) Willfully disobeys a lawful command of his or her superior commissioned officer;

shall be punished as a court martial may direct.

Sec. 781. RCW 38.38.692 and 1963 c 220 s 92 are each amended to read as follows:

Any person subject to this code who is guilty of cruelty toward, or oppression or maltreatment of, any person subject to his or her orders shall be punished as a court martial may direct.

Sec. 782. RCW 38.38.696 and 1963 c 220 s 93 are each amended to read as follows:

(1) Any person subject to this code who:

(a) With intent to usurp or override lawful military authority refuses, in concert with any other person, to obey orders or otherwise do his or her duty or creates any violence or disturbance is guilty of mutiny;

(b) With intent to cause the overthrow or destruction of lawful civil authority, creates, in concert with any other person, revolt, violence, or other disturbance against that authority is guilty of sedition;

(c) Fails to do his or her utmost to prevent and suppress a mutiny or sedition being committed in his or her presence, or fails to take all reasonable means to inform his or her superior commissioned officer or commanding officer of a mutiny or sedition which he or she knows or has reason to believe is taking place, is guilty of a failure to suppress or report a mutiny or sedition.

(2) A person who is found guilty of attempted mutiny, mutiny, sedition, or failure to suppress or report a mutiny or sedition shall be punished as a court martial may direct.

Sec. 783. RCW 38.38.704 and 1963 c 220 s 95 are each amended to read as follows:

Any person subject to this code who, without proper authority, releases any prisoner committed to his or her charge, or who through neglect or design suffers any such prisoner to escape, shall be punished as a court martial may direct, whether or not the prisoner was committed in strict compliance with law.

Sec. 784. RCW 38.38.724 and 1963 c 220 s 100 are each amended to read as follows:

Any person subject to this code who in time of war discloses the parole or countersign to any person not entitled to receive it, or who gives to another who is entitled to receive and use the parole or countersign a different parole or countersign from that which, to his or her knowledge, he or she was authorized and required to give, shall be punished as a court martial may direct.

Sec. 785. RCW 38.38.732 and 1963 c 220 s 102 are each amended to read as follows:

(1) All persons subject to this code shall secure all public property taken from the enemy for the service of the United States, and shall give notice and turn over to the proper authority without delay all captured or abandoned property in their possession, custody, or control.

(2) Any person subject to this code who:

(a) Fails to carry out the duties prescribed in subsection (1) (~~hereof~~) of this section;

(b) Buys, sells, trades, or in any way deals in or disposes of captured or abandoned property, whereby he or she receives or expects any profit, benefit, or advantage to himself or herself or another directly or indirectly connected with himself or herself; or

(c) Engages in looting or pillaging;

shall be punished as a court martial may direct.

Sec. 786. RCW 38.38.740 and 1963 c 220 s 104 are each amended to read as follows:

Any person subject to this code who, while in the hands of the enemy in time of war:

(1) For the purpose of securing favorable treatment by his or her captors acts without proper authority in a manner contrary to law, custom, or regulation, to

the detriment of others of whatever nationality held by the enemy as civilian or military prisoners; or

(2) While in a position of authority over such persons maltreats them without justifiable cause; shall be punished as a court martial may direct.

Sec. 787. RCW 38.38.764 and 1963 c 220 s 110 are each amended to read as follows:

Any person subject to this code who is found drunk on duty or sleeping upon his or her post, or who leaves his or her post before he or she is regularly relieved, shall be punished as a court martial may direct.

Sec. 788. RCW 38.38.880 and 1963 c 220 s 130 are each amended to read as follows:

The governor may delegate any authority vested in him or her under this code, and may provide for the subdelegation of any such authority, except the power given him or her by RCW 38.38.192 and 38.38.240.

Sec. 789. RCW 38.52.040 and 1995 c 269 s 1202 are each amended to read as follows:

(1) There is hereby created the emergency management council (hereinafter called the council), to consist of not more than seventeen members who shall be appointed by the governor. The membership of the council shall include, but not be limited to, representatives of city and county governments, sheriffs and police chiefs, the Washington state patrol, the military department, the department of ecology, state and local fire chiefs, seismic safety experts, state and local emergency management directors, search and rescue volunteers, medical professions who have expertise in emergency medical care, building officials, and private industry. The representatives of private industry shall include persons knowledgeable in emergency and hazardous materials management. The council members shall elect a (~~chairman~~) chair from within the council membership. The members of the council shall serve without compensation, but may be reimbursed for their travel expenses incurred in the performance of their duties in accordance with RCW 43.03.050 and 43.03.060 as now existing or hereafter amended.

(2) The emergency management council shall advise the governor and the director on all matters pertaining to state and local emergency management. The council may appoint such ad hoc committees, subcommittees, and working groups as are required to develop specific recommendations for the improvement of emergency management practices, standards, policies, or procedures. The council shall ensure that the governor receives an annual assessment of statewide emergency preparedness including, but not limited to, specific progress on hazard mitigation and reduction efforts, implementation of seismic safety improvements, reduction of flood hazards, and coordination of hazardous materials planning and response activities. The council or a subcommittee thereof shall periodically convene in special session and serve during those sessions as the state emergency response commission required by P.L. 99-499, the emergency planning and community right-to-know act. When sitting in session as the state emergency response commission, the council shall confine its deliberations to those items specified in federal statutes and state administrative rules governing the coordination of hazardous materials policy.

The council shall review administrative rules governing state and local emergency management practices and recommend necessary revisions to the director.

Sec. 790. RCW 38.52.140 and 1984 c 38 s 13 are each amended to read as follows:

Any civil service employee of the state of Washington or of any political subdivision thereof while on leave of absence and on duty with any emergency management agency authorized under the provisions of this chapter shall be preserved in his or her civil service status as to seniority and retirement rights so long as he or she regularly continues to make the usual contributions incident to the retention of such beneficial rights as if he or she were not on leave of absence.

Sec. 791. RCW 38.52.180 and 2007 c 292 s 2 are each amended to read as follows:

(1) There shall be no liability on the part of anyone including any person, partnership, corporation, the state of Washington or any political subdivision thereof who owns or maintains any building or premises which have been designated by a local organization for emergency management as a shelter from destructive operations or attacks by enemies of the United States for any injuries sustained by any person while in or upon said building or premises, as a result of the condition of said building or premises or as a result of any act or omission, or in any way arising from the designation of such premises as a shelter, when such person has entered or gone upon or into said building or premises for the purpose of seeking refuge therein during destructive operations or attacks by enemies of the United States or during tests ordered by lawful authority, except for an act of willful negligence by such owner or occupant or his or her servants, agents, or employees.

(2) All legal liability for damage to property or injury or death to persons (except an emergency worker, regularly enrolled and acting as such), caused by acts done or attempted during or while traveling to or from an emergency or disaster, search and rescue, or training or exercise authorized by the department in preparation for an emergency or disaster or search and rescue, under the color of this chapter in a bona fide attempt to comply therewith, except as provided in subsections (3), (4), and (5) of this section regarding covered volunteer emergency workers, shall be the obligation of the state of Washington. Suits may be instituted and maintained against the state for the enforcement of such liability, or for the indemnification of persons appointed and regularly enrolled as emergency workers while actually engaged in emergency management duties, or as members of any agency of the state or political subdivision thereof engaged in emergency management activity, or their dependents, for damage done to their private property, or for any judgment against them for acts done in good faith in compliance with this chapter: PROVIDED, That the foregoing shall not be construed to result in indemnification in any case of willful misconduct, gross negligence, or bad faith on the part of any agent of emergency management: PROVIDED, That should the United States or any agency thereof, in accordance with any federal statute, rule, or regulation, provide for the payment of damages to property and/or for death or injury as provided for in this section, then and in that event there shall be no liability or obligation whatsoever upon the part of the

state of Washington for any such damage, death, or injury for which the United States government assumes liability.

(3) No act or omission by a covered volunteer emergency worker while engaged in a covered activity shall impose any liability for civil damages resulting from such an act or omission upon:

- (a) The covered volunteer emergency worker;
- (b) The supervisor or supervisors of the covered volunteer emergency worker;
- (c) Any facility or their officers or employees;
- (d) The employer of the covered volunteer emergency worker;
- (e) The owner of the property or vehicle where the act or omission may have occurred during the covered activity;
- (f) Any local organization that registered the covered volunteer emergency worker; and
- (g) The state or any state or local governmental entity.

(4) The immunity in subsection (3) of this section applies only when the covered volunteer emergency worker was engaged in a covered activity:

- (a) Within the scope of his or her assigned duties;
- (b) Under the direction of a local emergency management organization or the department, or a local law enforcement agency for search and rescue; and
- (c) The act or omission does not constitute gross negligence or willful or wanton misconduct.

(5) For purposes of this section:

(a) "Covered volunteer emergency worker" means an emergency worker as defined in RCW 38.52.010 who (i) is not receiving or expecting compensation as an emergency worker from the state or local government, or (ii) is not a state or local government employee unless on leave without pay status.

(b) "Covered activity" means:

- (i) Providing assistance or transportation authorized by the department during an emergency or disaster or search and rescue as defined in RCW 38.52.010, whether such assistance or transportation is provided at the scene of the emergency or disaster or search and rescue, at an alternative care site, at a hospital, or while in route to or from such sites or between sites; or
- (ii) Participating in training or exercise authorized by the department in preparation for an emergency or disaster or search and rescue.

(6) Any requirement for a license to practice any professional, mechanical, or other skill shall not apply to any authorized emergency worker who shall, in the course of performing his or her duties as such, practice such professional, mechanical, or other skill during an emergency described in this chapter.

(7) The provisions of this section shall not affect the right of any person to receive benefits to which he or she would otherwise be entitled under this chapter, or under the workers' compensation law, or under any pension or retirement law, nor the right of any such person to receive any benefits or compensation under any act of congress.

Sec. 792. RCW 38.52.190 and 1984 c 38 s 18 are each amended to read as follows:

Except as provided in this chapter, an emergency worker and his or her dependents shall have no right to receive compensation from the state, from the agency, from the local organization for emergency management with which he

or she is registered, or from the county or city which has empowered the local organization for emergency management to register him or her and direct his or her activities, for an injury or death arising out of and occurring in the course of his or her activities as an emergency worker.

Sec. 793. RCW 38.52.195 and 1984 c 38 s 19 are each amended to read as follows:

Notwithstanding any other provision of law, no person, firm, corporation, or other entity acting under the direction or control of the proper authority to provide construction, equipment, or work as provided for in RCW 38.52.110, 38.52.180, 38.52.195, 38.52.205, 38.52.207, 38.52.220, and 38.52.390 while complying with or attempting to comply with RCW 38.52.110, 38.52.180, 38.52.195, 38.52.205, 38.52.207, 38.52.220, and 38.52.390 or any rule or regulation promulgated pursuant to the provisions of RCW 38.52.110, 38.52.180, 38.52.195, 38.52.205, 38.52.207, 38.52.220, and 38.52.390 shall be liable for the death of or any injury to persons or damage to property as a result of any such activity: PROVIDED, That said exemption shall only apply where all of the following conditions occur:

(1) Where, at the time of the incident the worker is performing services as an emergency worker, and is acting within the course of his or her duties as an emergency worker;

(2) Where, at the time of the injury, loss, or damage, the organization for emergency management which the worker is assisting is an approved organization for emergency management;

(3) Where the injury, loss, or damage is proximately caused by his or her service either with or without negligence as an emergency worker;

(4) Where the injury, loss, or damage is not caused by the intoxication of the worker; and

(5) Where the injury, loss, or damage is not due to (~~willful~~) willful misconduct or gross negligence on the part of a worker.

Sec. 794. RCW 38.52.200 and 1984 c 38 s 20 are each amended to read as follows:

Liability for the compensation provided by this chapter, as limited by the provisions thereof, is in lieu of any other liability whatsoever to an emergency worker or his or her dependents or any other person on the part of the state, the agency, the local organization for emergency management with which the emergency worker is registered, and the county or city which has empowered the local organization for emergency management to register him or her and direct his or her activities, for injury or death arising out of and in the course of his or her activities while on duty as an emergency worker: PROVIDED, That nothing in this chapter shall limit or bar the liability of the state or its political subdivisions engaged in proprietary functions as distinguished from governmental functions that may exist by reason of injury or death sustained by an emergency worker.

Sec. 795. RCW 38.52.220 and 1984 c 38 s 24 are each amended to read as follows:

Said compensation board shall meet on the call of its (~~chairman~~) chair on a regular monthly meeting day when there is business to come before it. The (~~chairman~~) chair shall be required to call a meeting on any monthly meeting

day when any claim for compensation under this chapter has been submitted to the board: PROVIDED, That as to claims involving amounts of two thousand dollars or less, the local organization director shall submit recommendations directly to the state without convening a compensation board.

Sec. 796. RCW 38.52.230 and 1953 c 223 s 6 are each amended to read as follows:

The compensation board, in addition to other powers herein granted, shall have the power to compel the attendance of witnesses to testify before it on all matters connected with the operation of this chapter and its (~~chairman~~) chair or any member of said board may administer oath to such witnesses; to make all necessary rules and regulations for its guidance in conformity with the provisions of this chapter: PROVIDED, HOWEVER, That no compensation or emoluments shall be paid to any member of said board for any duties performed as a member of said compensation board.

Sec. 797. RCW 38.52.260 and 1984 c 38 s 27 are each amended to read as follows:

Compensation shall be furnished to an emergency worker either within or without the state for any injury arising out of and occurring in the course of his or her activities as an emergency worker, and for the death of any such worker if the injury proximately causes death, in those cases where the following conditions occur:

(1) Where, at the time of the injury the emergency worker is performing services as an emergency worker, and is acting within the course of his or her duties as an emergency worker.

(2) Where, at the time of the injury the local organization for emergency management with which the emergency worker is registered is an approved local organization for emergency management.

(3) Where the injury is proximately caused by his or her service as an emergency worker, either with or without negligence.

(4) Where the injury is not caused by the intoxication of the injured emergency worker.

(5) Where the injury is not intentionally self-inflicted.

Sec. 798. RCW 38.52.350 and 1984 c 38 s 36 are each amended to read as follows:

Should the United States or any agent thereof, in accordance with any federal statute or rule or regulation, furnish monetary assistance, benefits, or other temporary or permanent relief to emergency workers or to their dependents for injuries arising out of and occurring in the course of their activities as emergency workers, then the amount of compensation which any emergency worker or his or her dependents are otherwise entitled to receive from the state of Washington as provided herein, shall be reduced by the amount of monetary assistance, benefits, or other temporary or permanent relief the emergency worker or his or her dependents have received and will receive from the United States or any agent thereof as a result of his or her injury.

Sec. 799. RCW 38.52.380 and 1984 c 38 s 39 are each amended to read as follows:

If the furnishing of compensation under the provisions of this chapter to an emergency worker or his or her dependents prevents such emergency worker or

his or her dependents from receiving assistance, benefits, or other temporary or permanent relief under the provisions of a federal statute or rule or regulation, then the emergency worker and his or her dependents shall have no right to, and shall not receive, any compensation from the state of Washington under the provisions of this chapter for any injury for which the United States or any agent thereof will furnish assistance, benefits, or other temporary or permanent relief in the absence of the furnishing of compensation by the state of Washington.

Sec. 800. RCW 38.52.400 and 1997 c 49 s 5 are each amended to read as follows:

(1) The chief law enforcement officer of each political subdivision shall be responsible for local search and rescue activities. Operation of search and rescue activities shall be in accordance with state and local operations plans adopted by the elected governing body of each local political subdivision. These state and local plans must specify the use of the incident command system for multiagency/multijurisdiction search and rescue operations. The local emergency management director shall notify the department of all search and rescue missions. The local director of emergency management shall work in a coordinating capacity directly supporting all search and rescue activities in that political subdivision and in registering emergency search and rescue workers for employee status. The chief law enforcement officer of each political subdivision may restrict access to a specific search and rescue area to personnel authorized by him or her. Access shall be restricted only for the period of time necessary to accomplish the search and rescue mission. No unauthorized person shall interfere with a search and rescue mission.

(2) When search and rescue activities result in the discovery of a deceased person or search and rescue workers assist in the recovery of human remains, the chief law enforcement officer of the political subdivision shall insure compliance with chapter 68.50 RCW.

Sec. 801. RCW 38.52.920 and 1951 c 178 s 17 are each amended to read as follows:

Chapter 177, Laws of 1941, chapters 6 and 24, Laws of 1943, and chapter 88, Laws of 1949 are repealed: PROVIDED, That this section shall not affect the validity of any order, rule, regulation, contract, or agreement made or promulgated under authority of the repealed acts, which orders, rules, regulations, contracts, or agreements shall remain in force until they may be repealed, amended, or superseded by orders, rules, regulations, contracts, or agreements made or promulgated under this chapter: PROVIDED FURTHER, That this section shall not affect the tenure of any officer, employee, or person serving under authority of any repealed act and such officer, employee, or person shall continue in his or her position until such time as a successor is appointed or employed under the provisions of this chapter.

Sec. 802. RCW 39.04.080 and 1923 c 183 s 7 are each amended to read as follows:

A true copy of such account or record, duly certified by the officer or officers having by law authority to direct such work to be done, to be a full, true, and accurate account of the costs of executing such work shall be filed in the office where the original plans and specifications are filed within sixty days after the completion of the work.

The engineer or other officer having charge of the execution of such work shall execute a certificate which shall be attached to and filed with such certified copy, certifying that such work was executed in accordance with the plans and specifications on file and the times of commencement and completion of such work. If the work is not in accordance with such plans and specifications he or she shall set forth the manner and extent of the variance therefrom.

Sec. 803. RCW 39.04.120 and 1998 c 196 s 1 are each amended to read as follows:

If the successful bidder must undertake additional work for public construction projects issued by the state of Washington, its authorities or agencies, or a political subdivision of the state due to the enactment of new environmental protection requirements or the amendment of existing environmental protection statutes, ordinances, or rules occurring after the submission of the successful bid, the awarding agency shall issue a change order setting forth the additional work that must be undertaken, which shall not invalidate the contract. The cost of such a change order to the awarding agency shall be determined in accordance with the provisions of the contract for change orders or, if no such provision is set forth in the contract, then the cost to the awarding agency shall be the contractor's costs for wages, labor costs other than wages, wage taxes, materials, equipment rentals, insurance, and subcontracts attributable to the additional activity plus a reasonable sum for overhead and profit. However, the additional costs to undertake work not specified in the contract documents shall not be approved unless written authorization is given the successful bidder prior to his or her undertaking such additional activity. In the event of a dispute between the awarding agency and the contractor, dispute resolution procedures may be commenced under the applicable terms of the construction contract, or, if the contract contains no such provision for dispute resolution, the then obtaining rules of the American arbitration association.

Sec. 804. RCW 39.08.065 and 1915 c 167 s 1 are each amended to read as follows:

Every person, firm, or corporation furnishing materials, supplies, or provisions to be used in the construction, performance, carrying on, prosecution, or doing of any work for the state, or any county, city, town, district, municipality, or other public body, shall, not later than ten days after the date of the first delivery of such materials, supplies, or provisions to any subcontractor or agent of any person, firm, or corporation having a subcontract for the construction, performance, carrying on, prosecution, or doing of such work, deliver or mail to the contractor a notice in writing stating in substance and effect that such person, firm, or corporation has commenced to deliver materials, supplies, or provisions for use thereon, with the name of the subcontractor or agent ordering or to whom the same is furnished and that such contractor and his or her bond will be held for the payment of the same, and no suit or action shall be maintained in any court against the contractor or his or her bond to recover for such material, supplies, or provisions or any part thereof unless the provisions of this section have been complied with.

Sec. 805. RCW 39.34.150 and 1979 c 151 s 47 are each amended to read as follows:

State agencies are authorized to advance funds to defray charges for materials to be furnished or services to be rendered by other state agencies. Such advances shall be made only upon the approval of the director of financial management, or his or her order made pursuant to an appropriate regulation requiring advances in certain cases. An advance shall be made from the fund or appropriation available for the procuring of such services or materials, to the state agency which is to perform the services or furnish the materials, in an amount no greater than the estimated charges therefor.

Sec. 806. RCW 39.40.030 and 1959 c 290 s 4 are each amended to read as follows:

The election officials in each of the precincts included within any such district shall, as soon as possible and in no case later than five days after the closing of the polls of any election involving the issuance of bonds, certify to the county auditor of the county within which such district is located the total number of votes cast for and against each separate proposal and the vote shall be canvassed and certified by a canvassing board consisting of the ~~((chairman))~~ chair of the board of county commissioners, the county auditor, and the prosecuting attorney who shall declare the result thereof.

Sec. 807. RCW 39.44.102 and 1955 c 375 s 3 are each amended to read as follows:

Where any bond so issued requires registration by the county treasurer, that bond shall bear a statement on the back thereof showing the name of the person to whom sold, date of issue, the number and series of the bond, and shall be signed by the county treasurer in his or her own name or by a deputy county treasurer in his or her own name.

Sec. 808. RCW 39.44.110 and 1983 c 167 s 108 are each amended to read as follows:

Upon the presentation at the office of the officer or agent hereinafter provided for, any bond which is bearer in form that has heretofore been or may hereafter be issued by any county, city, town, port, school district, or other municipal or quasi municipal corporation in this state, may, if so provided in the proceedings authorizing the issuance of the same, be registered as to principal in the name of the owner upon the books of such municipality to be kept in said office, such registration to be noted on the reverse of the bond by such officer or agent. The principal of any bond so registered shall be payable only to the payee, his or her legal representative, successors or assigns, and such bond shall be transferable to another registered holder or back to bearer only upon presentation to such officer or agent, with a written assignment duly acknowledged or proved. The name of the assignee shall be written upon any bond so transferred and in the books so kept in the office of such officer or agent.

Sec. 809. RCW 39.44.120 and 1983 c 167 s 109 are each amended to read as follows:

If so provided in the proceedings authorizing the issuance of any such bonds, upon the registration thereof as to principal, or at any time thereafter, the coupons thereto attached, evidencing all interest to be paid thereon to the date of maturity, may be surrendered to the officer or agent hereinafter provided and the bonds shall also become registered as to interest. Such coupons shall be canceled by such officer or agent, who shall sign a statement endorsed upon such

bond of the cancellation of all unmatured coupons and the registration of such bond. Thereafter the interest evidenced by such canceled coupons shall be paid at the times provided therein to the registered owner of such bond in lawful money of the United States of America mailed to his or her address.

Sec. 810. RCW 39.56.030 and 1981 c 156 s 16 are each amended to read as follows:

It shall be the duty of every public officer issuing public warrants to make monthly investigation to ascertain the market value of the current warrants issued by him or her, and he or she shall, so far as practicable, fix the rate of interest on the warrants issued by him or her during the ensuing month so that the par value shall be the market value thereof.

Sec. 811. RCW 39.62.020 and 1969 c 86 s 2 are each amended to read as follows:

Any authorized officer, after filing with the secretary of state his or her manual signature certified by him or her under oath, may execute or cause to be executed with a facsimile signature in lieu of his or her manual signature:

(1) Any public security: PROVIDED, That at least one signature required or permitted to be placed thereon shall be manually subscribed, and

(2) Any instrument of payment.

Upon compliance with this chapter by the authorized officer, his or her facsimile signature has the same legal effect as his or her manual signature.

Sec. 812. RCW 39.64.080 and 1935 c 143 s 9 are each amended to read as follows:

Such taxing district shall have power to consummate the plan of readjustment, as adopted by the court's decree and approved by it as aforesaid, and if such plan, as approved by such decree, so requires, may, for such purpose, exercise any of the following powers:

(1) Cancel in whole or in part any assessments or any interest or penalties assessed thereon which may be outstanding and a lien upon any property in such taxing district, as and when such assessments are replaced by the readjusted or revised assessments provided for in the plan of readjustment approved by such decree.

(2) Issue refunding bonds to refund bonds theretofore issued by such taxing district. Such refunding bonds shall have such denominations, rates of interest, and maturities as shall be provided in such plan of readjustment and shall be payable by special assessments or by general taxes, according to the nature of the taxing district, in the manner provided in such plan of readjustment and decree.

(3) Apportion and levy new assessments or taxes appropriate in time or times of payment to provide funds for the payment of principal and interest of such refunding bonds, and of all expenses incurred by such taxing district in filing the petition mentioned in RCW 39.64.040, and any and all other expenses necessary or incidental to the consummation of the plan of readjustment.

In the case of special assessment districts for the refunding of whose debts no procedure is provided by existing laws, such assessments shall be equitably apportioned and levied upon each lot, tract, or parcel of real property within such taxing district, due consideration being given to the relative extent to which the original apportionments upon the various lots, tracts, or parcels of real property

within such taxing district have already been paid and due consideration also being given to the capacity of the respective lots, tracts, or parcels of real property to carry such charges against them. Before levying or apportioning such assessment such taxing district or the officer or officers, board, council, or commission mentioned in RCW 39.64.030 shall hold a hearing with reference thereto, notice of which hearing shall be published once a week for four consecutive weeks in the newspaper designated for the publication of legal notices by the legislative body of the city or town, or by the board of county commissioners of the county within which such taxing district or any part thereof is located, or in any newspaper published in the city, town, or county within which such taxing district or any part thereof is located and of general circulation within such taxing district. At such hearing every owner of real property within such taxing district shall be given an opportunity to be heard with respect to the apportionment and levy of such assessment.

(4) In the case of special assessment districts, of cities or towns, provide that if any of the real property within such taxing district shall not, on foreclosure of the lien of such new assessment for delinquent assessments and penalties and interest thereon, be sold for a sufficient amount to pay such delinquent assessments, penalties, and interest, or if any real property assessed was not subject to assessment, or if any assessment or installment or installments thereof shall have been eliminated by foreclosure of a tax lien or made void in any other manner, such taxing district shall cause a supplemental assessment sufficient in amount to make up such deficiency to be made on the real property within such taxing district, including real property upon which any such assessment or any installment or installments thereof shall have been so eliminated or made void. Such supplemental assessment shall be apportioned to the various lots, tracts, and parcels of real property within such taxing district in proportion to the amounts apportioned thereto in the assessment originally made under such plan of readjustment.

(5) Provide that refunding bonds may, at the option of the holders thereof, be converted into warrants of such denominations and bearing such rate of interest as may be provided in the plan of readjustment, and that the new assessments mentioned in ~~((subdivision))~~ subsection (3) of this section and the supplemental assessments mentioned in ~~((subdivision))~~ subsection (4) of this section may be paid in refunding bonds or warrants of such taxing district without regard to the serial numbers thereof, or in money, at the option of the person paying such assessments, such refunding bonds and warrants to be received at their par value in payment of such assessments. In such case such refunding bonds and warrants shall bear the following legend: "This bond (or warrant) shall be accepted at its face value in payment of assessments (including interest and penalties thereon) levied to pay the principal and interest of the series of bonds and warrants of which this bond (or warrant) is one without regard to the serial number appearing upon the face hereof."

(6) Provide that all sums of money already paid to the treasurer of such taxing district or other authorized officer in payment, in whole or in part, of any assessment levied by or for such taxing district or of interest or penalties thereon, shall be transferred by such treasurer or other authorized officer to a new account and made applicable to the payment of refunding bonds and warrants to be issued under such plan of readjustment.

(7) Provide that such treasurer or other authorized officer shall have authority to use funds in his or her possession not required for payment of current interest of such bonds and warrants, to buy such bonds and warrants in the open market through tenders or by call at the lowest prices obtainable at or below par and accrued interest, without preference of one bond or warrant over another because of its serial number, or for any other cause other than the date and hour of such tender or other offer and the amount which the owner of such bond or warrant agrees to accept for it. In such case such refunding bonds and warrants shall bear the following legend: "This bond (or warrant) may be retired by tender or by call without regard to the serial number appearing upon the face hereof."

(8) Provide that if, after the payment of all interest on refunding bonds and warrants issued under any plan of readjustment adopted pursuant to this chapter and chapter IX of the federal bankruptcy act and the retirement of such bonds and warrants, there shall be remaining in the hands of the treasurer or other authorized officer of the taxing district which issued such bonds and warrants money applicable under the provisions of this chapter to the payment of such interest, bonds, and warrants, such money shall be applied by such treasurer or other authorized officer to the maintenance, repair, and replacement of the improvements originally financed by the bonds readjusted under this chapter and the federal bankruptcy act.

(9) The above enumeration of powers shall not be deemed to exclude powers not herein mentioned that may be necessary for or incidental to the accomplishment of the purposes hereof.

Sec. 813. RCW 39.72.020 and 1965 ex.s. c 61 s 5 are each amended to read as follows:

When a municipal corporation issues a duplicate instrument, as authorized in this chapter, the issuing officer of such municipal corporation shall keep a full and complete record of all warrants, bonds, or other instruments alleged to have been lost or destroyed, which were issued by such municipal corporation, and of the issue of any duplicate therefor; and upon the issuance of any duplicate such officer shall enter upon his or her books the cancellation of the original instrument and immediately notify the treasurer of the county, city or other municipal corporation, the state auditor, and all trustees and paying agencies authorized to redeem such instruments on behalf of the municipal corporation, of such cancellation. The treasurer shall keep a similar list of all warrants, bonds, or other instruments so canceled.

Sec. 814. RCW 39.84.100 and 1983 c 167 s 115 are each amended to read as follows:

(1) The principal of and the interest on any revenue bonds issued by a public corporation shall be payable solely from the funds provided for this payment from the revenues of the industrial development facilities funded by the revenue bonds. Each issue of revenue bonds shall be dated, shall bear interest at such rate or rates, and shall mature at such time or times as may be determined by the board of directors, and may be made redeemable before maturity at such price or prices and under such terms and conditions as may be fixed by the board of directors prior to the issuance of the revenue bonds or other revenue obligations.

(2) The board of directors shall determine the form and the manner of execution of the revenue bonds and shall fix the denomination or denominations of the revenue bonds and the place or places of payment of principal and interest. If any officer whose signature or a facsimile of whose signature appears on any revenue bonds or any coupons ceases to be an officer before the delivery of the revenue bonds, the signature shall for all purposes have the same effect as if he or she had remained in office until delivery. The revenue bonds may be issued in coupon or in registered form, as provided in RCW 39.46.030, or both as the board of directors may determine, and provisions may be made for the registration of any coupon revenue bonds as to the principal alone and also as to both principal and interest and for the reconversion into coupon bonds of any bonds registered as to both principal and interest. A public corporation may sell revenue bonds at public or private sale for such price and bearing interest at such fixed or variable rate as may be determined by the board of directors.

(3) The proceeds of the revenue bonds of each issue shall be used solely for the payment of all or part of the project cost of or for the making of a loan in the amount of all or part of the project cost of the industrial development facility for which authorized and shall be disbursed in such manner and under such restrictions, if any, provided in the resolution authorizing the issuance of the revenue bonds or in the trust agreement securing the bonds. If the proceeds of the revenue bonds of any series issued with respect to the cost of any industrial development facility exceeds the cost of the industrial development facility for which issued, the surplus shall be deposited to the credit of the debt service fund for the revenue bonds or used to purchase revenue bonds in the open market.

(4) A public corporation may issue interim notes in the manner provided for the issuance of revenue bonds to fund industrial development facilities prior to issuing other revenue bonds to fund such facilities. A public corporation may issue revenue bonds to fund industrial development facilities that are exchangeable for other revenue bonds when these other revenue bonds are executed and available for delivery.

(5) The principal of and interest on any revenue bonds issued by a public corporation shall be secured by a pledge of unexpended bond proceeds and the revenues and receipts received by the public corporation from the industrial development facilities funded by the revenue bonds pursuant to financing documents. The resolution under which the revenue bonds are authorized to be issued and any financing document may contain agreements and provisions respecting the maintenance or use of the industrial development facility covered thereby, the fixing and collection of rents, purchase price payments or loan payments, the creation and maintenance of special funds from such revenues or from revenue bond proceeds, the rights and remedies available in the event of default, and other provisions relating to the security for the bonds, all as the board of directors consider advisable which are not in conflict with this chapter.

(6) The governing body of the municipality under whose auspices the public corporation is created shall approve by resolution any agreement to issue revenue bonds adopted by a public corporation, which agreement and resolution shall set out the amount and purpose of the revenue bonds. Additionally, no issue of revenue bonds, including refunding bonds, may be sold and delivered by a public corporation without a resolution of the governing body of the municipality under whose auspices the public corporation is created, adopted no

more than sixty days before the date of sale of the revenue bonds specifically, approving the resolution of the public corporation providing for the issuance of the revenue bonds.

(7) All revenue bonds issued under this chapter and any interest coupons applicable thereto are negotiable instruments within the meaning of Article 8 of the Uniform Commercial Code, Title 62A RCW, regardless of form or character.

(8) Notwithstanding subsections (1) and (2) of this section, such bonds and interim notes may be issued and sold in accordance with chapter 39.46 RCW.

Sec. 815. RCW 39.88.020 and 1982 1st ex.s. c 42 s 3 are each amended to read as follows:

As used in this chapter the following terms have the following meanings unless a different meaning is clearly indicated by the context:

(1) "Apportionment district" means the geographic area, within an urban area, from which regular property taxes are to be apportioned to finance a public improvement contained therein.

(2) "Assessed value of real property" means the valuation of real property as placed on the last completed assessment roll of the county.

(3) "City" means any city or town.

(4) "Ordinance" means any appropriate method of taking a legislative action by a county or city, whether known as a statute, resolution, ordinance, or otherwise.

(5) "Public improvement" means an undertaking to provide public facilities in an urban area which the sponsor has authority to provide.

(6) "Public improvement costs" means the costs of design, planning, acquisition, site preparation, construction, reconstruction, rehabilitation, improvement, and installation of the public improvement; costs of relocation, maintenance, and operation of property pending construction of the public improvement; costs of utilities relocated as a result of the public improvement; costs of financing, including interest during construction, legal and other professional services, taxes, and insurance; costs incurred by the assessor to revalue real property for the purpose of determining the tax allocation base value that are in excess of costs incurred by the assessor in accordance with his or her revaluation plan under chapter 84.41 RCW, and the costs of apportioning the taxes and complying with this chapter and other applicable law; and administrative costs reasonably necessary and related to these costs. These costs may include costs incurred prior to the adoption of the public improvement ordinance, but subsequent to July 10, 1982.

(7) "Public improvement ordinance" means the ordinance passed under RCW 39.88.040(4).

(8) "Regular property taxes" means regular property taxes as now or hereafter defined in RCW 84.04.140, except regular property taxes levied by port districts or public utility districts specifically for the purpose of making required payments of principal and interest on general indebtedness.

(9) "Sponsor" means any county or city initiating and undertaking a public improvement.

(10) "Tax allocation base value of real property" means the true and fair value of real property within an apportionment district for the year in which the apportionment district was established.

(11) "Tax allocation bonds" means any bonds, notes, or other obligations issued by a sponsor pursuant to section 10 of this act.

(12) "Tax allocation revenues" means those tax revenues allocated to a sponsor under RCW 39.88.070(1)(b).

(13) "Taxing districts" means any governmental entity which levies or has levied for it regular property taxes upon real property located within a proposed or approved apportionment district.

(14) "Value of taxable property" means value of taxable property as defined in RCW 39.36.015.

(15) "Urban area" means an area in a city or located outside of a city that is characterized by intensive use of the land for the location of structures and receiving such urban services as sewers, water, and other public utilities and services normally associated with urbanized areas. Not more than twenty-five percent of the area within the urban area proposed apportionment district may be vacant land.

Sec. 816. RCW 40.10.010 and 1982 c 36 s 1 are each amended to read as follows:

In order to provide for the continuity and preservation of civil government, each elected and appointed officer of the state shall designate those public documents which are essential records of his or her office and needed in an emergency and for the reestablishment of normal operations after any such emergency. A list of such records shall be forwarded to the state archivist on forms prescribed by the state archivist. This list shall be reviewed at least annually by the elected or appointed officer to insure its completeness. Any changes or revisions following this review shall be forwarded to the state archivist. Each such elected and appointed officer of state government shall insure that the security of essential records of his or her office is by the most economical means commensurate with adequate protection. Protection of essential records may be by vaulting, planned or natural dispersal of copies, or any other method approved by the state archivist. Reproductions of essential records may be by photo copy, magnetic tape, microfilm, or other method approved by the state archivist. Local government offices may coordinate the protection of their essential records with the state archivist as necessary to provide continuity of local government under emergency conditions.

Sec. 817. RCW 40.14.030 and 2003 c 305 s 1 are each amended to read as follows:

(1) All public records, not required in the current operation of the office where they are made or kept, and all records of every agency, commission, committee, or any other activity of state government which may be abolished or discontinued, shall be transferred to the state archives so that the valuable historical records of the state may be centralized, made more widely available, and insured permanent preservation: PROVIDED, That this section shall have no application to public records approved for destruction under the subsequent provisions of this chapter.

When so transferred, copies of the public records concerned shall be made and certified by the archivist, which certification shall have the same force and effect as though made by the officer originally in charge of them. Fees may be charged to cover the cost of reproduction. In turning over the archives of his or

her office, the officer in charge thereof, or his or her successor, thereby loses none of his or her rights of access to them, without charge, whenever necessary.

(2) Records that are confidential, privileged, or exempt from public disclosure under state or federal law while in the possession of the originating agency, commission, board, committee, or other entity of state or local government retain their confidential, privileged, or exempt status after transfer to the state archives unless the archivist, with the concurrence of the originating jurisdiction, determines that the records must be made accessible to the public according to proper and reasonable rules adopted by the secretary of state, in which case the records may be open to inspection and available for copying after the expiration of seventy-five years from creation of the record. If the originating jurisdiction is no longer in existence, the archivist shall make the determination of availability according to such rules. If, while in the possession of the originating agency, commission, board, committee, or other entity, any record is determined to be confidential, privileged, or exempt from public disclosure under state or federal law for a period of less than seventy-five years, then the record, with the concurrence of the originating jurisdiction, must be made accessible to the public upon the expiration of the shorter period of time according to proper and reasonable rules adopted by the secretary of state.

Sec. 818. RCW 40.14.040 and 1982 c 36 s 4 are each amended to read as follows:

Each department or other agency of the state government shall designate a records officer to supervise its records program and to represent the office in all contacts with the records committee, hereinafter created, and the division of archives and records management. The records officer shall:

- (1) Coordinate all aspects of the records management program.
- (2) Inventory, or manage the inventory, of all public records at least once during a biennium for disposition scheduling and transfer action, in accordance with procedures prescribed by the state archivist and state records committee: PROVIDED, That essential records shall be inventoried and processed in accordance with chapter 40.10 RCW at least annually.
- (3) Consult with any other personnel responsible for maintenance of specific records within his or her state organization regarding records retention and transfer recommendations.
- (4) Analyze records inventory data, examine and compare divisional or unit inventories for duplication of records, and recommend to the state archivist and state records committee minimal retentions for all copies commensurate with legal, financial, and administrative needs.
- (5) Approve all records inventory and destruction requests which are submitted to the state records committee.
- (6) Review established records retention schedules at least annually to insure that they are complete and current.
- (7) Exercise internal control over the acquisition of filming and file equipment.

If a particular agency or department does not wish to transfer records at a time previously scheduled therefor, the records officer shall, within thirty days, notify the archivist and request a change in such previously set schedule, including his or her reasons therefor.

Sec. 819. RCW 40.14.110 and 1971 ex.s. c 102 s 3 are each amended to read as follows:

Nothing in RCW 40.14.010 and 40.14.100 through 40.14.180 shall prohibit a legislator or legislative employee from contributing his or her personal papers to any private library, public library, or the state archives. The state archivist is authorized to receive papers of legislators and legislative employees and is directed to encourage the donation of such personal records to the state. The state archivist is authorized to establish such guidelines and procedures for the collection of personal papers and correspondence relating to the legislature as he or she sees fit. Legislators and legislative employees are encouraged to contribute their personal papers to the state for preservation.

Sec. 820. RCW 40.14.130 and 1971 ex.s. c 102 s 5 are each amended to read as follows:

The legislative committee (~~((chairman))~~) chair, subcommittee (~~((chairman))~~) chair, committee member, or employed personnel of the state legislature having possession of legislative records that are not required for the regular performance of official duties shall, within ten days after the adjournment sine die of a regular or special session, deliver all such legislative records to the clerk of the house or the secretary of the senate.

The clerk of the house and the secretary of the senate are charged to include requirements and responsibilities for keeping committee minutes and records as part of their instructions to committee (~~((chairmen))~~) chairs and employees.

The clerk or the secretary, with the assistance of the state archivist, shall classify and arrange the legislative records delivered to the clerk or secretary in a manner that he or she considers best suited to carry out the efficient and economical utilization, maintenance, preservation, and disposition of the records. The clerk or the secretary may deliver to the state archivist all legislative records in his or her possession when such records have been classified and arranged and are no longer needed by either house. The state archivist shall thereafter be custodian of the records so delivered, but shall deliver such records back to either the clerk or secretary upon his or her request.

The (~~((chairman))~~) chair, member, or employee of a legislative interim committee responsible for maintaining the legislative records of that committee shall, on a scheduled basis agreed upon by the (~~((chairman))~~) chair, member, or employee of the legislative interim committee, deliver to the clerk or secretary all legislative records in his or her possession, as long as such records are not required for the regular performance of official duties. He or she shall also deliver to the clerk or secretary all records of an interim committee within ten days after the committee ceases to function.

Sec. 821. RCW 40.14.140 and 1971 ex.s. c 102 s 6 are each amended to read as follows:

It shall be the duty of the clerk and the secretary to advise the party caucuses in each house concerning the necessity to keep public records. The state archivist or his or her representative shall work with the clerk and secretary to provide information and instructions on the best method for keeping legislative records.

Sec. 822. RCW 60.60.010 and 1927 c 144 s 1 are each amended to read as follows:

Every person, firm, or corporation who, as a commission merchant, carrier, wharfinger, or storage (~~warehouseman~~) warehouse operator, shall make advances for freight, transportation, wharfage, or storage upon the personal property of another, or shall carry or store such personal property, shall have a lien thereon, so long as the same remains in his or her possession, for the charges for advances, freight, transportation, wharfage, or storage, and it shall be lawful for such person, firm, or corporation to cause such property to be sold as is herein in this chapter provided.

Sec. 823. RCW 62A.2-705 and 1965 ex.s. c 157 s 2-705 are each amended to read as follows:

(1) The seller may stop delivery of goods in the possession of a carrier or other bailee when he or she discovers the buyer to be insolvent (RCW 62A.2-702) and may stop delivery of carload, truckload, planeload, or larger shipments of express or freight when the buyer repudiates or fails to make a payment due before delivery or if for any other reason the seller has a right to withhold or reclaim the goods.

(2) As against such buyer the seller may stop delivery until:

(a) Receipt of the goods by the buyer; or

(b) Acknowledgment to the buyer by any bailee of the goods except a carrier that the bailee holds the goods for the buyer; or

(c) Such acknowledgment to the buyer by a carrier by reshipment or as (~~warehouseman~~) warehouse operator; or

(d) Negotiation to the buyer of any negotiable document of title covering the goods.

(3)(a) To stop delivery the seller must so notify as to enable the bailee by reasonable diligence to prevent delivery of the goods.

(b) After such notification the bailee must hold and deliver the goods according to the directions of the seller but the seller is liable to the bailee for any ensuing charges or damages.

(c) If a negotiable document of title has been issued for goods the bailee is not obliged to obey a notification to stop until surrender of the document.

(d) A carrier who has issued a nonnegotiable bill of lading is not obliged to obey a notification to stop received from a person other than the consignor.

Sec. 824. RCW 62A.2A-526 and 1993 c 230 s 2A-526 are each amended to read as follows:

(1) A lessor may stop delivery of goods in the possession of a carrier or other bailee if the lessor discovers the lessee to be insolvent and may stop delivery of carload, truckload, planeload, or larger shipments of express or freight if the lessee repudiates or fails to make a payment due before delivery, whether for rent, security, or otherwise under the lease contract, or for any other reason the lessor has a right to withhold or take possession of the goods.

(2) In pursuing its remedies under subsection (1) of this section, the lessor may stop delivery until:

(a) Receipt of the goods by the lessee;

(b) Acknowledgment to the lessee by any bailee of the goods, except a carrier, that the bailee holds the goods for the lessee; or

(c) Such an acknowledgment to the lessee by a carrier via reshipment or as (~~warehouseman~~) warehouse operator.

(3)(a) To stop delivery, a lessor shall so notify as to enable the bailee by reasonable diligence to prevent delivery of the goods.

(b) After notification, the bailee shall hold and deliver the goods according to the directions of the lessor, but the lessor is liable to the bailee for any ensuing charges or damages.

(c) A carrier who has issued a nonnegotiable bill of lading is not obliged to obey a notification to stop received from a person other than the consignor.

Sec. 825. RCW 62A.7-102 and 1965 ex.s. c 157 s 7-102 are each amended to read as follows:

(1) In this Article, unless the context otherwise requires:

(a) "Bailee" means the person who by a warehouse receipt, bill of lading, or other document of title acknowledges possession of goods and contracts to deliver them.

(b) "Consignee" means the person named in a bill to whom or to whose order the bill promises delivery.

(c) "Consignor" means the person named in a bill as the person from whom the goods have been received for shipment.

(d) "Delivery order" means a written order to deliver goods directed to a (~~warehouseman~~) warehouse operator, carrier, or other person who in the ordinary course of business issues warehouse receipts or bills of lading.

(e) "Document" means document of title as defined in the general definitions in Article 1 (RCW 62A.1-201).

(f) "Goods" means all things which are treated as movable for the purposes of a contract of storage or transportation.

(g) "Issuer" means a bailee who issues a document except that in relation to an unaccepted delivery order it means the person who orders the possessor of goods to deliver. Issuer includes any person for whom an agent or employee purports to act in issuing a document if the agent or employee has real or apparent authority to issue documents, notwithstanding that the issuer received no goods or that the goods were misdescribed or that in any other respect the agent or employee violated his or her instructions.

(h) (~~"Warehouseman"~~) "Warehouse operator" is a person engaged in the business of storing goods for hire.

(2) Other definitions applying to this Article or to specified Parts thereof, and the sections in which they appear are:

"Duly negotiate." RCW 62A.7-501.

"Person entitled under the document." RCW 62A.7-403(4).

(3) Definitions in other Articles applying to this Article and the sections in which they appear are:

"Contract for sale." RCW 62A.2-106.

"Overseas." RCW 62A.2-323.

"Receipt" of goods. RCW 62A.2-103.

(4) In addition Article 1 contains general definitions and principles of construction and interpretation applicable throughout this Article.

Sec. 826. RCW 62A.7-201 and 1965 ex.s. c 157 s 7-201 are each amended to read as follows:

(1) A warehouse receipt may be issued by any (~~warehouseman~~) warehouse operator.

(2) Where goods including distilled spirits and agricultural commodities are stored under a statute requiring a bond against withdrawal or a license for the issuance of receipts in the nature of warehouse receipts, a receipt issued for the goods has like effect as a warehouse receipt even though issued by a person who is the owner of the goods and is not a (~~warehouseman~~) warehouse operator.

Sec. 827. RCW 62A.7-202 and 2000 c 58 s 1 are each amended to read as follows:

(1) A warehouse receipt need not be in any particular form.

(2) Unless a warehouse receipt embodies within its written, printed, or electronic terms each of the following, the (~~warehouseman~~) warehouse operator is liable for damages caused by the omission to a person injured thereby:

(a) The location of the warehouse where the goods are stored;

(b) The date of issue of the receipt;

(c) The consecutive number of the receipt;

(d) A statement whether the goods received will be delivered to the bearer, to a specified person, or to a specified person or his or her order;

(e) The rate of storage and handling charges, except that where goods are stored under a field warehousing arrangement a statement of that fact is sufficient on a nonnegotiable receipt;

(f) A description of the goods or of the packages containing them;

(g) The signature of the (~~warehouseman~~) warehouse operator, which may be made by his or her authorized agent;

(h) If the receipt is issued for goods of which the (~~warehouseman~~) warehouse operator is owner, either solely or jointly or in common with others, the fact of such ownership; and

(i) A statement of the amount of advances made and of liabilities incurred for which the (~~warehouseman~~) warehouse operator claims a lien or security interest (RCW 62A.7-209). If the precise amount of such advances made or of such liabilities incurred is, at the time of the issue of the receipt, unknown to the (~~warehouseman~~) warehouse operator or to his or her agent who issues it, a statement of the fact that advances have been made or liabilities incurred and the purpose thereof is sufficient.

(3) A (~~warehouseman~~) warehouse operator may insert in his or her receipt any other terms which are not contrary to the provisions of this Title and do not impair his or her obligation of delivery (RCW 62A.7-403) or his or her duty of care (RCW 62A.7-204). Any contrary provisions shall be ineffective.

Sec. 828. RCW 62A.7-204 and 2009 c 549 s 1016 are each amended to read as follows:

(1) A warehouse (~~worker~~) operator is liable for damages for loss of or injury to the goods caused by his or her failure to exercise such care in regard to them as a reasonably careful person would exercise under like circumstances but unless otherwise agreed he or she is not liable for damages which could not have been avoided by the exercise of such care.

(2) Damages may be limited by a term in the warehouse receipt or storage agreement limiting the amount of liability in case of loss or damage, and setting forth a specific liability per article or item, or value per unit of weight, beyond which the warehouse (~~worker~~) operator shall not be liable; provided, however,

that such liability may on written request of the bailor at the time of signing such storage agreement or within a reasonable time after receipt of the warehouse receipt be increased on part or all of the goods thereunder, in which event increased rates may be charged based on such increased valuation, but that no such increase shall be permitted contrary to a lawful limitation of liability contained in the warehouse ~~((worker's))~~ operator's tariff, if any. No such limitation is effective with respect to the warehouse ~~((worker's))~~ operator's liability for conversion to his or her own use.

(3) Reasonable provisions as to the time and manner of presenting claims and instituting actions based on the bailment may be included in the warehouse receipt or tariff.

(4) This section does not impair or repeal the duties of care or liabilities or penalties for breach thereof as provided in chapters 22.09 and 22.32 RCW.

Sec. 829. RCW 62A.7-205 and 1965 ex.s. c 157 s 7-205 are each amended to read as follows:

A buyer in the ordinary course of business of fungible goods sold and delivered by a ~~((warehouseman))~~ warehouse operator who is also in the business of buying and selling such goods takes free of any claim under a warehouse receipt even though it has been duly negotiated.

Sec. 830. RCW 62A.7-206 and 1965 ex.s. c 157 s 7-206 are each amended to read as follows:

(1) A ~~((warehouseman))~~ warehouse operator may on notifying the person on whose account the goods are held and any other person known to claim an interest in the goods require payment of any charges and removal of the goods from the warehouse at the termination of the period of storage fixed by the document, or, if no period is fixed, within a stated period not less than thirty days after the notification. If the goods are not removed before the date specified in the notification, the ~~((warehouseman))~~ warehouse operator may sell them in accordance with the provisions of the section on enforcement of a ~~((warehouseman's))~~ warehouse operator's lien (RCW 62A.7-210).

(2) If a ~~((warehouseman))~~ warehouse operator in good faith believes that the goods are about to deteriorate or decline in value to less than the amount of his or her lien within the time prescribed in subsection (1) of this section for notification, advertisement, and sale, the ~~((warehouseman))~~ warehouse operator may specify in the notification any reasonable shorter time for removal of the goods and in case the goods are not removed, may sell them at public sale held not less than one week after a single advertisement or posting.

(3) If as a result of a quality or condition of the goods of which the ~~((warehouseman))~~ warehouse operator had no notice at the time of deposit the goods are a hazard to other property or to the warehouse or to persons, the ~~((warehouseman))~~ warehouse operator may sell the goods at public or private sale without advertisement on reasonable notification to all persons known to claim an interest in the goods. If the ~~((warehouseman))~~ warehouse operator after a reasonable effort is unable to sell the goods he or she may dispose of them in any lawful manner and shall incur no liability by reason of such disposition.

(4) The ~~((warehouseman))~~ warehouse operator must deliver the goods to any person entitled to them under this Article upon due demand made at any time prior to sale or other disposition under this section.

(5) The ~~((warehouseman))~~ warehouse operator may satisfy his or her lien from the proceeds of any sale or disposition under this section but must hold the balance for delivery on the demand of any person to whom he or she would have been bound to deliver the goods.

Sec. 831. RCW 62A.7-207 and 1965 ex.s. c 157 s 7-207 are each amended to read as follows:

(1) Unless the warehouse receipt otherwise provides, a ~~((warehouseman))~~ warehouse operator must keep separate the goods covered by each receipt so as to permit at all times identification and delivery of those goods except that different lots of fungible goods may be commingled.

(2) Fungible goods so commingled are owned in common by the persons entitled thereto and the ~~((warehouseman))~~ warehouse operator is severally liable to each owner for that owner's share. Where because of over-issue a mass of fungible goods is insufficient to meet all the receipts which the ~~((warehouseman))~~ warehouse operator has issued against it, the persons entitled include all holders to whom overissued receipts have been duly negotiated.

Sec. 832. RCW 62A.7-209 and 1987 c 395 s 1 are each amended to read as follows:

(1) A ~~((warehouseman))~~ warehouse operator has a lien against the bailor on the goods covered by a warehouse receipt or on the proceeds thereof in his or her possession for charges for storage or transportation (including demurrage and terminal charges), insurance, labor, or charges present or future in relation to the goods, and for expenses necessary for preservation of the goods or reasonably incurred in their sale pursuant to law. If the person on whose account the goods are held is liable for like charges or expenses in relation to other goods whenever deposited and it is stated in the receipt that a lien is claimed for charges and expenses in relation to other goods, the ~~((warehouseman))~~ warehouse operator also has a lien against him or her for such charges and expenses whether or not the other goods have been delivered by the ~~((warehouseman))~~ warehouse operator. But against a person to whom a negotiable warehouse receipt is duly negotiated a ~~((warehouseman's))~~ warehouse operator's lien is limited to charges in an amount or at a rate specified on the receipt or if no charges are so specified then to a reasonable charge for storage of the goods covered by the receipt subsequent to the date of the receipt. A ~~((warehouseman's))~~ warehouse operator's lien as provided in this chapter takes priority over all other liens and perfected or unperfected security interests.

(2) The ~~((warehouseman))~~ warehouse operator may also reserve a security interest against the bailor for a maximum amount specified on the receipt for charges other than those specified in subsection (1) of this section, such as for money advanced and interest. Such a security interest is governed by the Article on Secured Transactions (Article 9).

(3) A ~~((warehouseman's))~~ warehouse operator's lien for charges and expenses under subsection (1) of this section or a security interest under subsection (2) of this section is also effective against any person who so entrusted the bailor with possession of the goods that a pledge of them by him or her to a good faith purchaser for value would have been valid but is not effective against a person as to whom the document confers no right in the goods covered by it under RCW 62A.7-503.

(4) A (~~warehouseman~~) warehouse operator loses his or her lien on any goods which he or she voluntarily delivers or which he or she unjustifiably refuses to deliver.

Sec. 833. RCW 62A.7-210 and 1965 ex.s. c 157 s 7-210 are each amended to read as follows:

(1) Except as provided in subsection (2) of this section, a (~~warehouseman's~~) warehouse operator's lien may be enforced by public or private sale of the goods in bloc or in parcels, at any time or place and on any terms which are commercially reasonable, after notifying all persons known to claim an interest in the goods. Such notification must include a statement of the amount due, the nature of the proposed sale and the time and place of any public sale. The fact that a better price could have been obtained by a sale at a different time or in a different method from that selected by the (~~warehouseman~~) warehouse operator is not of itself sufficient to establish that the sale was not made in a commercially reasonable manner. If the (~~warehouseman~~) warehouse operator either sells the goods in the usual manner in any recognized market therefor, or if he or she sells at the price current in such market at the time of his or her sale, or if he or she has otherwise sold in conformity with commercially reasonable practices among dealers in the type of goods sold, he or she has sold in a commercially reasonable manner. A sale of more goods than apparently necessary to be offered to insure satisfaction of the obligation is not commercially reasonable except in cases covered by the preceding sentence.

(2) A (~~warehouseman's~~) warehouse operator's lien on goods other than goods stored by a merchant in the course of his or her business may be enforced only as follows:

(a) All persons known to claim an interest in the goods must be notified.

(b) The notification must be delivered in person or sent by registered or certified letter to the last known address of any person to be notified.

(c) The notification must include an itemized statement of the claim, a description of the goods subject to the lien, a demand for payment within a specified time not less than ten days after receipt of the notification, and a conspicuous statement that unless the claim is paid within that time the goods will be advertised for sale and sold by auction at a specified time and place.

(d) The sale must conform to the terms of the notification.

(e) The sale must be held at the nearest suitable place to that where the goods are held or stored.

(f) After the expiration of the time given in the notification, an advertisement of the sale must be published once a week for two weeks consecutively in a newspaper of general circulation where the sale is to be held. The advertisement must include a description of the goods, the name of the person on whose account they are being held, and the time and place of the sale. The sale must take place at least fifteen days after the first publication. If there is no newspaper of general circulation where the sale is to be held, the advertisement must be posted at least ten days before the sale in not less than six conspicuous places in the neighborhood of the proposed sale.

(3) Before any sale pursuant to this section any person claiming a right in the goods may pay the amount necessary to satisfy the lien and the reasonable expenses incurred under this section. In that event the goods must not be sold,

but must be retained by the ~~((warehouseman))~~ warehouse operator subject to the terms of the receipt and this Article.

(4) The ~~((warehouseman))~~ warehouse operator may buy at any public sale pursuant to this section.

(5) A purchaser in good faith of goods sold to enforce a ~~((warehouseman's))~~ warehouse operator's lien takes the goods free of any rights of persons against whom the lien was valid, despite noncompliance by the ~~((warehouseman))~~ warehouse operator with the requirements of this section.

(6) The ~~((warehouseman))~~ warehouse operator may satisfy his or her lien from the proceeds of any sale pursuant to this section but must hold the balance, if any, for delivery on demand to any person to whom he or she would have been bound to deliver the goods.

(7) The rights provided by this section shall be in addition to all other rights allowed by law to a creditor against his or her debtor.

(8) Where a lien is on goods stored by a merchant in the course of his or her business the lien may be enforced in accordance with either subsection (1) or (2) of this section.

(9) The ~~((warehouseman))~~ warehouse operator is liable for damages caused by failure to comply with the requirements for sale under this section and in case of willful violation is liable for conversion.

Sec. 834. RCW 62A.7-401 and 1965 ex.s. c 157 s 7-401 are each amended to read as follows:

The obligations imposed by this Article on an issuer apply to a document of title regardless of the fact that:

(a) The document may not comply with the requirements of this Article or of any other law or regulation regarding its issue, form, or content; or

(b) The issuer may have violated laws regulating the conduct of his or her business; or

(c) The goods covered by the document were owned by the bailee at the time the document was issued; or

(d) The person issuing the document does not come within the definition of ~~((warehouseman))~~ warehouse operator if it purports to be a warehouse receipt.

Sec. 835. RCW 62A.7-403 and 1965 ex.s. c 157 s 7-403 are each amended to read as follows:

(1) The bailee must deliver the goods to a person entitled under the document who complies with subsections (2) and (3) of this section, unless and to the extent that the bailee establishes any of the following:

(a) Delivery of the goods to a person whose receipt was rightful as against the claimant;

(b) Damage to or delay, loss, or destruction of the goods for which the bailee is not liable;

(c) Previous sale or other disposition of the goods in lawful enforcement of a lien or on ~~((warehouseman's))~~ warehouse operator's lawful termination of storage;

(d) The exercise by a seller of his or her right to stop delivery pursuant to the provisions of the Article on Sales (RCW 62A.2-705);

(e) A diversion, reconignment, or other disposition pursuant to the provisions of this Article (RCW 62A.7-303) or tariff regulating such right;

(f) Release, satisfaction, or any other fact affording a personal defense against the claimant;

(g) Any other lawful excuse.

(2) A person claiming goods covered by a document of title must satisfy the bailee's lien where the bailee so requests or where the bailee is prohibited by law from delivering the goods until the charges are paid.

(3) Unless the person claiming is one against whom the document confers no right under RCW 62A.7-503(1), he or she must surrender for cancellation or notation of partial deliveries any outstanding negotiable document covering the goods, and the bailee must cancel the document or conspicuously note the partial delivery thereon or be liable to any person to whom the document is duly negotiated.

(4) "Person entitled under the document" means holder in the case of a negotiable document, or the person to whom delivery is to be made by the terms of or pursuant to written instructions under a nonnegotiable document.

Sec. 836. RCW 69.25.150 and 2003 c 53 s 317 are each amended to read as follows:

(1)(a) Except as provided in (b) of this subsection, any person violating any provision of this chapter or any rule adopted under this chapter is guilty of a misdemeanor.

(b) A second or subsequent violation is a gross misdemeanor. Any offense committed more than five years after a previous conviction shall be considered a first offense.

(2) Whenever the director finds that a person has committed a violation of any of the provisions of this chapter, and that violation has not been punished pursuant to subsection (1) of this section, the director may impose upon and collect from the violator a civil penalty not exceeding one thousand dollars per violation per day. Each violation shall be a separate and distinct offense.

(3) When construing or enforcing the provisions of RCW 69.25.110, the act, omission, or failure of any person acting for or employed by any individual, partnership, corporation, or association within the scope of the person's employment or office shall in every case be deemed the act, omission, or failure of such individual, partnership, corporation, or association, as well as of such person.

(4) No carrier or (~~warehouseman~~) warehouse operator shall be subject to the penalties of this chapter, other than the penalties for violation of RCW 69.25.140, or 69.25.155, by reason of his or her receipt, carriage, holding, or delivery, in the usual course of business, as a carrier or (~~warehouseman~~) warehouse operator of eggs or egg products owned by another person unless the carrier or (~~warehouseman~~) warehouse operator has knowledge, or is in possession of facts which would cause a reasonable person to believe that such eggs or egg products were not eligible for transportation under, or were otherwise in violation of, this chapter, or unless the carrier or (~~warehouseman~~) warehouse operator refuses to furnish on request of a representative of the director the name and address of the person from whom he or she received such eggs or egg products and copies of all documents, if there be any, pertaining to the delivery of the eggs or egg products to, or by, such carrier or (~~warehouseman~~) warehouse operator.

Sec. 837. RCW 69.41.030 and 2010 c 83 s 1 are each amended to read as follows:

(1) It shall be unlawful for any person to sell, deliver, or possess any legend drug except upon the order or prescription of a physician under chapter 18.71 RCW, an osteopathic physician and surgeon under chapter 18.57 RCW, an optometrist licensed under chapter 18.53 RCW who is certified by the optometry board under RCW 18.53.010, a dentist under chapter 18.32 RCW, a podiatric physician and surgeon under chapter 18.22 RCW, a veterinarian under chapter 18.92 RCW, a commissioned medical or dental officer in the United States armed forces or public health service in the discharge of his or her official duties, a duly licensed physician or dentist employed by the veterans administration in the discharge of his or her official duties, a registered nurse or advanced registered nurse practitioner under chapter 18.79 RCW when authorized by the nursing care quality assurance commission, an osteopathic physician assistant under chapter 18.57A RCW when authorized by the board of osteopathic medicine and surgery, a physician assistant under chapter 18.71A RCW when authorized by the medical quality assurance commission, or any of the following professionals in any province of Canada that shares a common border with the state of Washington or in any state of the United States: A physician licensed to practice medicine and surgery or a physician licensed to practice osteopathic medicine and surgery, a dentist licensed to practice dentistry, a podiatric physician and surgeon licensed to practice podiatric medicine and surgery, a licensed advanced registered nurse practitioner, or a veterinarian licensed to practice veterinary medicine: PROVIDED, HOWEVER, That the above provisions shall not apply to sale, delivery, or possession by drug wholesalers or drug manufacturers, or their agents or employees, or to any practitioner acting within the scope of his or her license, or to a common or contract carrier or (~~warehouseman~~) warehouse operator, or any employee thereof, whose possession of any legend drug is in the usual course of business or employment: PROVIDED FURTHER, That nothing in this chapter or chapter 18.64 RCW shall prevent a family planning clinic that is under contract with the department of social and health services from selling, delivering, possessing, and dispensing commercially prepackaged oral contraceptives prescribed by authorized, licensed health care practitioners.

(2)(a) A violation of this section involving the sale, delivery, or possession with intent to sell or deliver is a class B felony punishable according to chapter 9A.20 RCW.

(b) A violation of this section involving possession is a misdemeanor.

Sec. 838. RCW 69.43.135 and 2006 c 188 s 1 are each amended to read as follows:

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

(a) "Iodine matrix" means iodine at a concentration greater than two percent by weight in a matrix or solution.

(b) "Matrix" means something, as a substance, in which something else originates, develops, or is contained.

(c) "Methylsulfonylmethane" means methylsulfonylmethane in its powder form only, and does not include products containing methylsulfonylmethane in other forms such as liquids, tablets, capsules not containing

methylsulfonylmethane in pure powder form, ointments, creams, cosmetics, foods, and beverages.

(2) Any person who knowingly purchases in a thirty-day period or possesses any quantity of iodine in its elemental form, an iodine matrix, or more than two pounds of methylsulfonylmethane is guilty of a gross misdemeanor, except as provided in subsection (3) of this section.

(3) Subsection (2) of this section does not apply to:

(a) A person who possesses iodine in its elemental form or an iodine matrix as a prescription drug, under a prescription issued by a licensed veterinarian, physician, or advanced registered nurse practitioner;

(b) A person who possesses iodine in its elemental form, an iodine matrix, or any quantity of methylsulfonylmethane in its powder form and is actively engaged in the practice of animal husbandry of livestock;

(c) A person who possesses iodine in its elemental form or an iodine matrix in conjunction with experiments conducted in a chemistry or chemistry-related laboratory maintained by a:

(i) Public or private secondary school;

(ii) Public or private institution of higher education that is accredited by a regional or national accrediting agency recognized by the United States department of education;

(iii) Manufacturing facility, government agency, or research facility in the course of lawful business activities;

(d) A veterinarian, physician, advanced registered nurse practitioner, pharmacist, retail distributor, wholesaler, manufacturer, (~~warehouseman~~) warehouse operator, or common carrier, or an agent of any of these persons who possesses iodine in its elemental form, an iodine matrix, or methylsulfonylmethane in its powder form in the regular course of lawful business activities; or

(e) A person working in a general hospital who possesses iodine in its elemental form or an iodine matrix in the regular course of employment at the hospital.

(4) Any person who purchases any quantity of iodine in its elemental form, an iodine matrix, or any quantity of methylsulfonylmethane must present an identification card or driver's license issued by any state in the United States or jurisdiction of another country before purchasing the item.

(5) The Washington state patrol shall develop a form to be used in recording transactions involving iodine in its elemental form, an iodine matrix, or methylsulfonylmethane. A person who sells or otherwise transfers any quantity of iodine in its elemental form, an iodine matrix, or any quantity of methylsulfonylmethane to a person for any purpose authorized in subsection (3) of this section must record each sale or transfer. The record must be made on the form developed by the Washington state patrol and must be retained by the person for at least three years. The Washington state patrol or any local law enforcement agency may request access to the records~~((:))~~.

(a) Failure to make or retain a record required under this subsection is a misdemeanor.

(b) Failure to comply with a request for access to records required under this subsection to the Washington state patrol or a local law enforcement agency is a misdemeanor.

Sec. 839. RCW 69.50.302 and 1993 c 187 s 16 are each amended to read as follows:

(a) Every person who manufactures, distributes, or dispenses any controlled substance within this state or who proposes to engage in the manufacture, distribution, or dispensing of any controlled substance within this state, shall obtain annually a registration issued by the department in accordance with the board's rules.

(b) A person registered by the department under this chapter to manufacture, distribute, dispense, or conduct research with controlled substances may possess, manufacture, distribute, dispense, or conduct research with those substances to the extent authorized by the registration and in conformity with this Article.

(c) The following persons need not register and may lawfully possess controlled substances under this chapter:

(1) An agent or employee of any registered manufacturer, distributor, or dispenser of any controlled substance if the agent or employee is acting in the usual course of business or employment. This exemption shall not include any agent or employee distributing sample controlled substances to practitioners without an order;

(2) A common or contract carrier or (~~warehouseman~~) warehouse operator, or an employee thereof, whose possession of any controlled substance is in the usual course of business or employment;

(3) An ultimate user or a person in possession of any controlled substance pursuant to a lawful order of a practitioner or in lawful possession of a substance included in Schedule V.

(d) The board may waive by rule the requirement for registration of certain manufacturers, distributors, or dispensers upon finding it consistent with the public health and safety. Personal practitioners licensed or registered in the state of Washington under the respective professional licensing acts shall not be required to be registered under this chapter unless the specific exemption is denied pursuant to RCW 69.50.305 for violation of any provisions of this chapter.

(e) A separate registration is required at each principal place of business or professional practice where the applicant manufactures, distributes, or dispenses controlled substances.

(f) The department may inspect the establishment of a registrant or applicant for registration in accordance with rules adopted by the board.

Sec. 840. RCW 70.74.300 and 1969 ex.s. c 137 s 26 are each amended to read as follows:

Every person who shall put up for sale, or who shall deliver to any (~~warehouseman~~) warehouse operator, dock, depot, or common carrier any package, cask, or can containing any explosive, nitroglycerin, dynamite, or powder, without having been properly labeled thereon to indicate its explosive classification, shall be guilty of a gross misdemeanor.

Passed by the Senate March 1, 2011.

Passed by the House April 6, 2011.

Approved by the Governor May 12, 2011, with the exception of certain items that were vetoed.

Filed in Office of Secretary of State May 13, 2011.

Note: Governor's explanation of partial veto is as follows:

"I have approved, except for Sections 34, 508, 520 and 590, Senate Bill 5045 entitled:

"AN ACT Relating to making technical corrections to gender-based terms."

I am vetoing Section 34 because it incorrectly amends the phrase "his widow" to "his or her widow" in RCW 2.12.037. I am vetoing the following sections due to conflicting amendments in other bills already signed into law in the 2011 session: Sections 508, 520 and 590.

With the exception of Sections 34, 508, 520 and 590, Senate Bill 5045 is approved."

CHAPTER 337

[Substitute Senate Bill 5203]

SEX AND KIDNAPPING OFFENDER REGISTRATION ADMINISTRATION

AN ACT Relating to improving the administration and efficiency of sex and kidnapping offender registration; amending RCW 4.24.550, 9A.44.128, 9A.44.132, 9A.44.141, 9A.44.142, and 43.43.540; reenacting and amending RCW 9A.44.130; and adding a new section to chapter 9A.44 RCW.

Be it enacted by the Legislature of the State of Washington:

Sec. 1. RCW 4.24.550 and 2008 c 98 s 1 are each amended to read as follows:

(1) In addition to the disclosure under subsection (5) of this section, public agencies are authorized to release information to the public regarding sex offenders and kidnapping offenders when the agency determines that disclosure of the information is relevant and necessary to protect the public and counteract the danger created by the particular offender. This authorization applies to information regarding: (a) Any person adjudicated or convicted of a sex offense as defined in RCW ((9A.44.130)) 9A.44.128 or a kidnapping offense as defined by RCW ((9A.44.130)) 9A.44.128; (b) any person under the jurisdiction of the indeterminate sentence review board as the result of a sex offense or kidnapping offense; (c) any person committed as a sexually violent predator under chapter 71.09 RCW or as a sexual psychopath under chapter 71.06 RCW; (d) any person found not guilty of a sex offense or kidnapping offense by reason of insanity under chapter 10.77 RCW; and (e) any person found incompetent to stand trial for a sex offense or kidnapping offense and subsequently committed under chapter 71.05 or 71.34 RCW.

(2) Except for the information specifically required under subsection (5) of this section, the extent of the public disclosure of relevant and necessary information shall be rationally related to: (a) The level of risk posed by the offender to the community; (b) the locations where the offender resides, expects to reside, or is regularly found; and (c) the needs of the affected community members for information to enhance their individual and collective safety.

(3) Except for the information specifically required under subsection (5) of this section, local law enforcement agencies shall consider the following guidelines in determining the extent of a public disclosure made under this section: (a) For offenders classified as risk level I, the agency shall share information with other appropriate law enforcement agencies and, if the offender is a student, the public or private school regulated under Title 28A RCW or chapter 72.40 RCW which the offender is attending, or planning to attend. The agency may disclose, upon request, relevant, necessary, and accurate

information to any victim or witness to the offense and to any individual community member who lives near the residence where the offender resides, expects to reside, or is regularly found; (b) for offenders classified as risk level II, the agency may also disclose relevant, necessary, and accurate information to public and private schools, child day care centers, family day care providers, public libraries, businesses and organizations that serve primarily children, women, or vulnerable adults, and neighbors and community groups near the residence where the offender resides, expects to reside, or is regularly found; (c) for offenders classified as risk level III, the agency may also disclose relevant, necessary, and accurate information to the public at large; and (d) because more localized notification is not feasible and homeless and transient offenders may present unique risks to the community, the agency may also disclose relevant, necessary, and accurate information to the public at large for offenders registered as homeless or transient.

(4) The county sheriff with whom an offender classified as risk level III is registered shall cause to be published by legal notice, advertising, or news release a sex offender community notification that conforms to the guidelines established under RCW 4.24.5501 in at least one legal newspaper with general circulation in the area of the sex offender's registered address or location. ~~((The county sheriff shall also cause to be published consistent with this subsection a current list of level III registered sex offenders, twice yearly.))~~ Unless the information is posted on the web site described in subsection (5) of this section, this list shall be maintained by the county sheriff on a publicly accessible web site and shall be updated at least once per month.

(5)(a) When funded by federal grants or other sources, the Washington association of sheriffs and police chiefs shall create and maintain a statewide registered kidnapping and sex offender web site, which shall be available to the public. The web site shall post all level III and level II registered sex offenders, level I registered sex offenders during the time they are out of compliance with registration requirements under RCW 9A.44.130, and all registered kidnapping offenders in the state of Washington.

(i) For level III offenders, the web site shall contain, but is not limited to, the registered sex offender's name, relevant criminal convictions, address by hundred block, physical description, and photograph. The web site shall provide mapping capabilities that display the sex offender's address by hundred block on a map. The web site shall allow citizens to search for registered sex offenders within the state of Washington by county, city, zip code, last name, ~~((type of conviction.))~~ and address by hundred block.

(ii) For level II offenders, and level I sex offenders during the time they are out of compliance with registration requirements under RCW 9A.44.130, the web site shall contain, but is not limited to, the same information and functionality as described in (a)(i) of this subsection, provided that it is permissible under state and federal law. If it is not permissible, the web site shall be limited to the information and functionality that is permissible under state and federal law.

(iii) For kidnapping offenders, the web site shall contain, but is not limited to, the same information and functionality as described in (a)(i) of this subsection, provided that it is permissible under state and federal law. If it is not

permissible, the web site shall be limited to the information and functionality that is permissible under state and federal law.

(b) Until the implementation of (a) of this subsection, the Washington association of sheriffs and police chiefs shall create a web site available to the public that provides electronic links to county-operated web sites that offer sex offender registration information.

(6) Local law enforcement agencies that disseminate information pursuant to this section shall: (a) Review available risk level classifications made by the department of corrections, the department of social and health services, and the indeterminate sentence review board; (b) assign risk level classifications to all offenders about whom information will be disseminated; and (c) make a good faith effort to notify the public and residents ~~((at least fourteen days before the offender is released from confinement or, where an offender moves from another jurisdiction, as soon as possible after the agency learns of the offender's move, except that in no case may this notification provision be construed to require an extension of an offender's release date))~~ within a reasonable period of time after the offender registers with the agency. The juvenile court shall provide local law enforcement officials with all relevant information on offenders allowed to remain in the community in a timely manner.

(7) An appointed or elected public official, public employee, or public agency as defined in RCW 4.24.470, or units of local government and its employees, as provided in RCW 36.28A.010, are immune from civil liability for damages for any discretionary risk level classification decisions or release of relevant and necessary information, unless it is shown that the official, employee, or agency acted with gross negligence or in bad faith. The immunity in this section applies to risk level classification decisions and the release of relevant and necessary information regarding any individual for whom disclosure is authorized. The decision of a local law enforcement agency or official to classify an offender to a risk level other than the one assigned by the department of corrections, the department of social and health services, or the indeterminate sentence review board, or the release of any relevant and necessary information based on that different classification shall not, by itself, be considered gross negligence or bad faith. The immunity provided under this section applies to the release of relevant and necessary information to other public officials, public employees, or public agencies, and to the general public.

(8) Except as may otherwise be provided by law, nothing in this section shall impose any liability upon a public official, public employee, or public agency for failing to release information authorized under this section.

(9) Nothing in this section implies that information regarding persons designated in subsection (1) of this section is confidential except as may otherwise be provided by law.

(10) When a local law enforcement agency or official classifies an offender differently than the offender is classified by the end of sentence review committee or the department of social and health services at the time of the offender's release from confinement, the law enforcement agency or official shall notify the end of sentence review committee or the department of social and health services and submit its reasons supporting the change in classification. ~~((Upon implementation of subsection (5)(a) of this section,~~

~~notification of the change shall also be sent to the Washington association of sheriffs and police chiefs.))~~

Sec. 2. RCW 9A.44.128 and 2010 c 267 s 1 are each amended to read as follows:

For the purposes of RCW 9A.44.130 through 9A.44.145, 10.01.200, 43.43.540, 70.48.470, and 72.09.330, the following definitions apply:

(1) "Business day" means any day other than Saturday, Sunday, or a legal local, state, or federal holiday.

(2) "Conviction" means any adult conviction or juvenile adjudication for a sex offense or kidnapping offense.

(3) "Disqualifying offense" means a conviction for: Any offense that is a felony; a sex offense as defined in this section; a crime against children or persons as defined in RCW 43.43.830(5) and 9.94A.411(2)(a); an offense with a domestic violence designation as provided in RCW 10.99.020; permitting the commercial sexual abuse of a minor as defined in RCW 9.68A.103; or any violation of chapter 9A.88 RCW.

(4) "Employed" or "carries on a vocation" means employment that is full time or part time for a period of time exceeding fourteen days, or for an aggregate period of time exceeding thirty days during any calendar year. A person is employed or carries on a vocation whether the person's employment is financially compensated, volunteered, or for the purpose of government or educational benefit.

(5) "Fixed residence" means a building that a person lawfully and habitually uses as living quarters a majority of the week. Uses as living quarters means to conduct activities consistent with the common understanding of residing, such as sleeping; eating; keeping personal belongings; receiving mail; and paying utilities, rent, or mortgage. A nonpermanent structure including, but not limited to, a motor home, travel trailer, camper, or boat may qualify as a residence provided it is lawfully and habitually used as living quarters a majority of the week, primarily kept at one location with a physical address, and the location it is kept at is either owned or rented by the person or used by the person with the permission of the owner or renter. A shelter program may qualify as a residence provided it is a shelter program designed to provide temporary living accommodations for the homeless, provides an offender with a personally assigned living space, and the offender is permitted to store belongings in the living space.

(6) "In the community" means residing outside of confinement or incarceration for a disqualifying offense.

(7) "Institution of higher education" means any public or private institution dedicated to postsecondary education, including any college, university, community college, trade, or professional school.

(8) "Kidnapping offense" means:

(a) The crimes of kidnapping in the first degree, kidnapping in the second degree, and unlawful imprisonment, as defined in chapter 9A.40 RCW, where the victim is a minor and the offender is not the minor's parent;

(b) Any offense that is, under chapter 9A.28 RCW, a criminal attempt, criminal solicitation, or criminal conspiracy to commit an offense that is classified as a kidnapping offense under this subsection; and

(c) Any federal or out-of-state conviction for: An offense for which the person would be required to register as a kidnapping offender (~~((while))~~) if residing in the state of conviction; or, if not required to register in the state of conviction, an offense that under the laws of this state would be classified as a kidnapping offense under this subsection (~~(, unless a court in the person's state of conviction has made an individualized determination that the person should not be required to register)~~).

~~((6))~~ (9) "Lacks a fixed residence" means the person does not have a living situation that meets the definition of a fixed residence and includes, but is not limited to, a shelter program designed to provide temporary living accommodations for the homeless, an outdoor sleeping location, or locations where the person does not have permission to stay.

(10) "Sex offense" means:

(a) Any offense defined as a sex offense by RCW 9.94A.030;

(b) Any violation under RCW 9A.44.096 (sexual misconduct with a minor in the second degree);

(c) Any violation under RCW 9.68A.090 (communication with a minor for immoral purposes);

(d) Any gross misdemeanor that is, under chapter 9A.28 RCW, a criminal attempt, criminal solicitation, or criminal conspiracy to commit an offense that is classified as a sex offense under RCW 9.94A.030 or this subsection;

~~(e) Any ((federal or)) out-of-state conviction for((:)) an offense for which the person would be required to register as a sex offender while residing in the state of conviction; or, if not required to register in the state of conviction, an offense that under the laws of this state would be classified as a sex offense under this subsection((, unless a court in the person's state of conviction has made an individualized determination that the person should not be required to register; and~~

~~(e) Any gross misdemeanor that is, under chapter 9A.28 RCW, a criminal attempt, criminal solicitation, or criminal conspiracy to commit an offense that is classified as a sex offense under RCW 9.94A.030 or this subsection));~~

(f) Any federal conviction classified as a sex offense under 42 U.S.C. Sec. 16911 (SORNA);

(g) Any military conviction for a sex offense. This includes sex offenses under the uniform code of military justice, as specified by the United States secretary of defense;

(h) Any conviction in a foreign country for a sex offense if it was obtained with sufficient safeguards for fundamental fairness and due process for the accused under guidelines or regulations established pursuant to 42 U.S.C. Sec. 16912.

~~((7))~~ (11) "School" means a public or private school regulated under Title 28A RCW or chapter 72.40 RCW.

(12) "Student" means a person who is enrolled, on a full-time or part-time basis, in any ~~((public or private educational institution. An educational institution includes any secondary school, trade or professional institution,)) school or institution of higher education.~~

Sec. 3. RCW 9A.44.130 and 2010 c 267 s 2 and 2010 c 265 s 1 are each reenacted and amended to read as follows:

(1)(a) Any adult or juvenile residing whether or not the person has a fixed residence, or who is a student, is employed, or carries on a vocation in this state who has been found to have committed or has been convicted of any sex offense or kidnapping offense, or who has been found not guilty by reason of insanity under chapter 10.77 RCW of committing any sex offense or kidnapping offense, shall register with the county sheriff for the county of the person's residence, or if the person is not a resident of Washington, the county of the person's school, or place of employment or vocation, or as otherwise specified in this section. When a person required to register under this section is in custody of the state department of corrections, the state department of social and health services, a local division of youth services, or a local jail or juvenile detention facility as a result of a sex offense or kidnapping offense, the person shall also register at the time of release from custody with an official designated by the agency that has jurisdiction over the person.

(b) Any adult or juvenile who is required to register under (a) of this subsection must give notice to the county sheriff of the county with whom the person is registered within three business days:

(i) Prior to arriving at a school or institution of higher education to attend classes;

(ii) Prior to starting work at an institution of higher education; or

(iii) After any termination of enrollment or employment at a school or institution of higher education.

~~((i) Who is attending, or planning to attend, a public or private school regulated under Title 28A RCW or chapter 72.40 RCW shall, within three business days prior to arriving at the school to attend classes, notify the sheriff for the county of the person's residence of the person's intent to attend the school, and the sheriff shall promptly notify the principal of the school;~~

~~(ii) Who is admitted to a public or private institution of higher education shall, within three business days prior to arriving at the institution, notify the sheriff for the county of the person's residence of the person's intent to attend the institution;~~

~~(iii) Who gains employment at a public or private institution of higher education shall, within three business days prior to commencing work at the institution, notify the sheriff for the county of the person's residence of the person's employment by the institution; or~~

~~(iv) Whose enrollment or employment at a public or private institution of higher education is terminated shall, within three business days of such termination, notify the sheriff for the county of the person's residence of the person's termination of enrollment or employment at the institution.~~

~~(c) The sheriff shall notify the school's principal or institution's department of public safety and shall provide that department with the same information provided to a county sheriff under subsection (3) of this section.~~

~~(d)(i) A principal receiving notice under this subsection must disclose the information received from the sheriff under (b) of this subsection as follows:~~

~~(A) If the student who is required to register as a sex offender is classified as a risk level II or III, the principal shall provide the information received to every teacher of any student required to register under (a) of this subsection and to any other personnel who, in the judgment of the principal, supervises the student or for security purposes should be aware of the student's record;~~

~~(B) If the student who is required to register as a sex offender is classified as a risk level I, the principal shall provide the information received only to personnel who, in the judgment of the principal, for security purposes should be aware of the student's record.~~

~~(ii) Any information received by a principal or school personnel under this subsection is confidential and may not be further disseminated except as provided in RCW 28A.225.330, other statutes or case law, and the family and educational and privacy rights act of 1994, 20 U.S.C. Sec. 1232g et seq.~~

~~(2) This section may not be construed to confer any powers pursuant to RCW 4.24.550 upon the public safety department of any public or private school or institution of higher education.~~

~~(3)) (2)(a) ((The)) A person ((shall)) required to register under this section must provide the following information when registering: (i) Name and any aliases used; (ii) complete and accurate residential address or, if the person lacks a fixed residence, where he or she plans to stay; (iii) date and place of birth; (iv) place of employment; (v) crime for which convicted; (vi) date and place of conviction; (vii) ((aliases used; (viii)) social security number; ((ix)) (viii) photograph; and ((x)) (ix) fingerprints.~~

~~(b) ((Any)) A person ((who lacks a fixed residence shall provide the following information when registering: (i) Name; (ii) date and place of birth; (iii) place of employment; (iv) crime for which convicted; (v) date and place of conviction; (vi) aliases used; (vii) social security number; (viii) photograph; (ix) fingerprints; and (x) where he or she plans to stay)) may be required to update any of the information required in this subsection in conjunction with any address verification conducted by the county sheriff or as part of any notice required by this section.~~

~~(c) A photograph or copy of an individual's fingerprints may be taken at any time to update an individual's file.~~

~~((4)) (3)(a) Offenders shall register with the county sheriff within the following deadlines:~~

~~(i) OFFENDERS IN CUSTODY. (A) Sex offenders who committed a sex offense on, before, or after February 28, 1990, and who, on or after July 28, 1991, are in custody, as a result of that offense, of the state department of corrections, the state department of social and health services, a local division of youth services, or a local jail or juvenile detention facility, and (B) kidnapping offenders who on or after July 27, 1997, are in custody of the state department of corrections, the state department of social and health services, a local division of youth services, or a local jail or juvenile detention facility, must register at the time of release from custody with an official designated by the agency that has jurisdiction over the offender. The agency shall within three days forward the registration information to the county sheriff for the county of the offender's anticipated residence. The offender must also register within three business days from the time of release with the county sheriff for the county of the person's residence, or if the person is not a resident of Washington, the county of the person's school, or place of employment or vocation. The agency that has jurisdiction over the offender shall provide notice to the offender of the duty to register.~~

~~When the agency with jurisdiction intends to release an offender with a duty to register under this section, and the agency has knowledge that the offender is~~

eligible for developmental disability services from the department of social and health services, the agency shall notify the division of developmental disabilities of the release. Notice shall occur not more than thirty days before the offender is to be released. The agency and the division shall assist the offender in meeting the initial registration requirement under this section. Failure to provide such assistance shall not constitute a defense for any violation of this section.

(ii) **OFFENDERS NOT IN CUSTODY BUT UNDER STATE OR LOCAL JURISDICTION.** Sex offenders who, on July 28, 1991, are not in custody but are under the jurisdiction of the indeterminate sentence review board or under the department of corrections' active supervision, as defined by the department of corrections, the state department of social and health services, or a local division of youth services, for sex offenses committed before, on, or after February 28, 1990, must register within ten days of July 28, 1991. Kidnapping offenders who, on July 27, 1997, are not in custody but are under the jurisdiction of the indeterminate sentence review board or under the department of corrections' active supervision, as defined by the department of corrections, the state department of social and health services, or a local division of youth services, for kidnapping offenses committed before, on, or after July 27, 1997, must register within ten days of July 27, 1997. A change in supervision status of a sex offender who was required to register under this subsection (~~(4)~~) (3)(a)(ii) as of July 28, 1991, or a kidnapping offender required to register as of July 27, 1997, shall not relieve the offender of the duty to register or to reregister following a change in residence.

(iii) **OFFENDERS UNDER FEDERAL JURISDICTION.** Sex offenders who, on or after July 23, 1995, and kidnapping offenders who, on or after July 27, 1997, as a result of that offense are in the custody of the United States bureau of prisons or other federal or military correctional agency for sex offenses committed before, on, or after February 28, 1990, or kidnapping offenses committed on, before, or after July 27, 1997, must register within three business days from the time of release with the county sheriff for the county of the person's residence, or if the person is not a resident of Washington, the county of the person's school, or place of employment or vocation. Sex offenders who, on July 23, 1995, are not in custody but are under the jurisdiction of the United States bureau of prisons, United States courts, United States parole commission, or military parole board for sex offenses committed before, on, or after February 28, 1990, must register within ten days of July 23, 1995. Kidnapping offenders who, on July 27, 1997, are not in custody but are under the jurisdiction of the United States bureau of prisons, United States courts, United States parole commission, or military parole board for kidnapping offenses committed before, on, or after July 27, 1997, must register within ten days of July 27, 1997. A change in supervision status of a sex offender who was required to register under this subsection (~~(4)~~) (3)(a)(iii) as of July 23, 1995, or a kidnapping offender required to register as of July 27, 1997 shall not relieve the offender of the duty to register or to reregister following a change in residence, or if the person is not a resident of Washington, the county of the person's school, or place of employment or vocation.

(iv) **OFFENDERS WHO ARE CONVICTED BUT NOT CONFINED.** Sex offenders who are convicted of a sex offense on or after July 28, 1991, for a sex offense that was committed on or after February 28, 1990, and kidnapping

offenders who are convicted on or after July 27, 1997, for a kidnapping offense that was committed on or after July 27, 1997, but who are not sentenced to serve a term of confinement immediately upon sentencing, shall report to the county sheriff to register within three business days of being sentenced.

(v) **OFFENDERS WHO ARE NEW RESIDENTS OR RETURNING WASHINGTON RESIDENTS.** Sex offenders and kidnapping offenders who move to Washington state from another state or a foreign country that are not under the jurisdiction of the state department of corrections, the indeterminate sentence review board, or the state department of social and health services at the time of moving to Washington, must register within three business days of establishing residence or reestablishing residence if the person is a former Washington resident. The duty to register under this subsection applies to sex offenders convicted under the laws of another state or a foreign country, federal or military statutes for offenses committed before, on, or after February 28, 1990, or Washington state for offenses committed before, on, or after February 28, 1990, and to kidnapping offenders convicted under the laws of another state or a foreign country, federal or military statutes, or Washington state for offenses committed before, on, or after July 27, 1997. Sex offenders and kidnapping offenders from other states or a foreign country who, when they move to Washington, are under the jurisdiction of the department of corrections, the indeterminate sentence review board, or the department of social and health services must register within three business days of moving to Washington. The agency that has jurisdiction over the offender shall notify the offender of the registration requirements before the offender moves to Washington.

(vi) **OFFENDERS FOUND NOT GUILTY BY REASON OF INSANITY.** Any adult or juvenile who has been found not guilty by reason of insanity under chapter 10.77 RCW of (A) committing a sex offense on, before, or after February 28, 1990, and who, on or after July 23, 1995, is in custody, as a result of that finding, of the state department of social and health services, or (B) committing a kidnapping offense on, before, or after July 27, 1997, and who on or after July 27, 1997, is in custody, as a result of that finding, of the state department of social and health services, must register within three business days from the time of release with the county sheriff for the county of the person's residence. The state department of social and health services shall provide notice to the adult or juvenile in its custody of the duty to register. Any adult or juvenile who has been found not guilty by reason of insanity of committing a sex offense on, before, or after February 28, 1990, but who was released before July 23, 1995, or any adult or juvenile who has been found not guilty by reason of insanity of committing a kidnapping offense but who was released before July 27, 1997, shall be required to register within three business days of receiving notice of this registration requirement.

(vii) **OFFENDERS WHO LACK A FIXED RESIDENCE.** Any person who lacks a fixed residence and leaves the county in which he or she is registered and enters and remains within a new county for twenty-four hours is required to register with the county sheriff not more than three business days after entering the county and provide the information required in subsection ~~((3)(b))~~ (2)(a) of this section.

(viii) **OFFENDERS WHO LACK A FIXED RESIDENCE AND WHO ARE UNDER SUPERVISION.** Offenders who lack a fixed residence and who

are under the supervision of the department shall register in the county of their supervision.

(ix) OFFENDERS WHO MOVE TO, WORK, CARRY ON A VOCATION, OR ATTEND SCHOOL IN ANOTHER STATE. Offenders required to register in Washington, who move to another state, or who work, carry on a vocation, or attend school in another state shall register a new address, fingerprints, and photograph with the new state within three business days after establishing residence, or after beginning to work, carry on a vocation, or attend school in the new state. The person must also send written notice within three business days of moving to the new state or to a foreign country to the county sheriff with whom the person last registered in Washington state. The county sheriff shall promptly forward this information to the Washington state patrol.

(b) The county sheriff shall not be required to determine whether the person is living within the county.

(c) An arrest on charges of failure to register, service of an information, or a complaint for a violation of RCW 9A.44.132, or arraignment on charges for a violation of RCW 9A.44.132, constitutes actual notice of the duty to register. Any person charged with the crime of failure to register under RCW 9A.44.132 who asserts as a defense the lack of notice of the duty to register shall register within three business days following actual notice of the duty through arrest, service, or arraignment. Failure to register as required under this subsection ~~((4))~~ (3)(c) constitutes grounds for filing another charge of failing to register. Registering following arrest, service, or arraignment on charges shall not relieve the offender from criminal liability for failure to register prior to the filing of the original charge.

(d) The deadlines for the duty to register under this section do not relieve any sex offender of the duty to register under this section as it existed prior to July 28, 1991.

~~((5))~~ (4)(a) If any person required to register pursuant to this section changes his or her residence address within the same county, the person must provide, by certified mail, with return receipt requested or in person, signed written notice of the change of address to the county sheriff within three business days of moving.

(b) If any person required to register pursuant to this section moves to a new county, the person must register with that county sheriff within three business days of moving. Within three business days, the person must also provide, by certified mail, with return receipt requested or in person, signed written notice of the change of address in the new county to the county sheriff with whom the person last registered. The county sheriff with whom the person last registered shall promptly forward the information concerning the change of address to the county sheriff for the county of the person's new residence. Upon receipt of notice of change of address to a new state, the county sheriff shall promptly forward the information regarding the change of address to the agency designated by the new state as the state's offender registration agency.

~~((6))~~ (5)(a) Any person required to register under this section who lacks a fixed residence shall provide signed written notice to the sheriff of the county where he or she last registered within three business days after ceasing to have a fixed residence. The notice shall include the information required by subsection ~~((3)(b))~~ (2)(a) of this section, except the photograph and fingerprints. The

county sheriff may, for reasonable cause, require the offender to provide a photograph and fingerprints. The sheriff shall forward this information to the sheriff of the county in which the person intends to reside, if the person intends to reside in another county.

(b) A person who lacks a fixed residence must report weekly, in person, to the sheriff of the county where he or she is registered. The weekly report shall be on a day specified by the county sheriff's office, and shall occur during normal business hours. The person must keep an accurate accounting of where he or she stays during the week and provide it to the county sheriff upon request. The lack of a fixed residence is a factor that may be considered in determining an offender's risk level and shall make the offender subject to disclosure of information to the public at large pursuant to RCW 4.24.550.

(c) If any person required to register pursuant to this section does not have a fixed residence, it is an affirmative defense to the charge of failure to register, that he or she provided written notice to the sheriff of the county where he or she last registered within three business days of ceasing to have a fixed residence and has subsequently complied with the requirements of subsections ~~((4))~~ (3)(a)(vii) or (viii) and ~~((6))~~ (5) of this section. To prevail, the person must prove the defense by a preponderance of the evidence.

~~((7))~~ (6) A sex offender subject to registration requirements under this section who applies to change his or her name under RCW 4.24.130 or any other law shall submit a copy of the application to the county sheriff of the county of the person's residence and to the state patrol not fewer than five days before the entry of an order granting the name change. No sex offender under the requirement to register under this section at the time of application shall be granted an order changing his or her name if the court finds that doing so will interfere with legitimate law enforcement interests, except that no order shall be denied when the name change is requested for religious or legitimate cultural reasons or in recognition of marriage or dissolution of marriage. A sex offender under the requirement to register under this section who receives an order changing his or her name shall submit a copy of the order to the county sheriff of the county of the person's residence and to the state patrol within three business days of the entry of the order.

~~((8))~~ The county sheriff shall obtain a photograph of the individual and shall obtain a copy of the individual's fingerprints. A photograph may be taken at any time to update an individual's file.

~~((9))~~ (7) Except as may otherwise be provided by law, nothing in this section shall impose any liability upon a peace officer, including a county sheriff, or law enforcement agency, for failing to release information authorized under this section.

NEW SECTION. Sec. 4. A new section is added to chapter 9A.44 RCW to read as follows:

(1) Upon receiving notice from a registered person pursuant to RCW 9A.44.130 that the person will be attending a school or institution of higher education or will be employed with an institution of higher education, the sheriff must promptly notify the school district and the school principal or institution's department of public safety and shall provide that school or department with the person's: (a) Name and any aliases used; (b) complete residential address; (c) date and place of birth; (d) place of employment; (e) crime for which convicted;

(f) date and place of conviction; (g) social security number; (h) photograph; and (i) risk level classification.

(2) A principal or department receiving notice under this subsection must disclose the information received from the sheriff as follows:

(a) If the student is classified as a risk level II or III, the principal shall provide the information received to every teacher of the student and to any other personnel who, in the judgment of the principal, supervises the student or for security purposes should be aware of the student's record;

(b) If the student is classified as a risk level I, the principal or department shall provide the information received only to personnel who, in the judgment of the principal or department, for security purposes should be aware of the student's record.

(3) The sheriff shall notify the applicable school district and school principal or institution's department of public safety whenever a student's risk level classification is changed or the sheriff is notified of a change in the student's address.

(4) Any information received by school or institution personnel under this subsection is confidential and may not be further disseminated except as provided in RCW 28A.225.330, other statutes or case law, and the family and educational and privacy rights act of 1994, 20 U.S.C. Sec. 1232g et seq.

Sec. 5. RCW 9A.44.132 and 2010 c 267 s 3 are each amended to read as follows:

(1) A person commits the crime of failure to register as a sex offender if the person has a duty to register under RCW 9A.44.130 for a felony sex offense (~~as defined in that section~~) and knowingly fails to comply with any of the requirements of RCW 9A.44.130.

(a) (~~Except as provided in (b) of this subsection,~~) The failure to register as a sex offender pursuant to this subsection is a class C felony if:

(i) It is the person's first conviction for a felony failure to register; or

(ii) The person has previously been convicted of a felony failure to register as a sex offender in this state or pursuant to the laws of another state.

(b) If a person has been convicted (~~in this state~~) of a felony failure to register as a sex offender in this state or pursuant to the laws of another state on two or more prior occasions, the failure to register under this subsection is a class B felony.

(2) A person is guilty of failure to register as a sex offender if the person has a duty to register under RCW 9A.44.130 for a sex offense other than a felony and knowingly fails to comply with any of the requirements of RCW 9A.44.130. The failure to register as a sex offender under this subsection is a gross misdemeanor.

(3) A person commits the crime of failure to register as a kidnapping offender if the person has a duty to register under RCW 9A.44.130 for a kidnapping offense and knowingly fails to comply with any of the requirements of RCW 9A.44.130.

(a) If the person has a duty to register for a felony kidnapping offense, the failure to register as a kidnapping offender is a class C felony.

(b) If the person has a duty to register for a kidnapping offense other than a felony, the failure to register as a kidnapping offender is a gross misdemeanor.

(4) Unless relieved of the duty to register pursuant to RCW 9A.44.141 and 9A.44.142, a violation of this section is an ongoing offense for purposes of the statute of limitations under RCW 9A.04.080.

Sec. 6. RCW 9A.44.141 and 2010 c 267 s 5 are each amended to read as follows:

(1) Upon the request of a person who is listed in the Washington state patrol central registry of sex offenders and kidnapping offenders, the county sheriff shall investigate whether a person's duty to register has ended by operation of law pursuant to RCW 9A.44.140.

(a) Using available records, the county sheriff shall verify that the offender has spent the requisite time in the community and has not been convicted of a disqualifying offense.

(b) If the county sheriff determines the person's duty to register has ended by operation of law, the county sheriff shall request the Washington state patrol remove the person's name from the central registry.

(2) Nothing in this subsection prevents a county sheriff from investigating, upon his or her own initiative, whether a person's duty to register has ended by operation of law pursuant to RCW 9A.44.140.

(3)(a) A person who is listed in the central registry as the result of a federal or out-of-state conviction may request the county sheriff to investigate whether the person should be removed from the registry if:

(i) A court in the person's state of conviction has made an individualized determination that the person should not be required to register; and

(ii) The person provides proof of relief from registration to the county sheriff.

(b) If the county sheriff determines the person has been relieved of the duty to register in his or her state of conviction, the county sheriff shall request the Washington state patrol remove the person's name from the central registry.

(4) An appointed or elected public official, public employee, or public agency as defined in RCW 4.24.470, or units of local government and its employees, as provided in RCW 36.28A.010, are immune from civil liability for damages for removing or requesting the removal of a person from the central registry of sex offenders and kidnapping offenders or the failure to remove or request removal of a person within the time frames provided in RCW 9A.44.140.

Sec. 7. RCW 9A.44.142 and 2010 c 267 s 6 are each amended to read as follows:

(1) A person who is required to register under RCW 9A.44.130 may petition the superior court to be relieved of the duty to register:

(a) If the person has a duty to register for a sex offense or kidnapping offense committed when the offender was a juvenile, regardless of whether the conviction was in this state, as provided in RCW 9A.44.143;

(b) If the person is required to register for a conviction in this state and is not prohibited from petitioning for relief from registration under subsection (2) of this section, when the person has spent ten consecutive years in the community without being convicted of a disqualifying offense during that time period; ~~((and))~~ or

(c) If the person is required to register for a federal or out-of-state conviction, when the person has spent fifteen consecutive years in the

community without being convicted of a disqualifying offense during that time period.

(2)(a) A person may not petition for relief from registration if the person has been:

(i) Determined to be a sexually violent predator as defined in RCW 71.09.020;

(ii) Convicted as an adult of a sex offense or kidnapping offense that is a class A felony and that was committed with forcible compulsion on or after June 8, 2000; or

(iii) Until July 1, 2012, convicted of one aggravated offense or more than one sexually violent offense, as defined in subsection (5) of this section, and the offense or offenses were committed on or after March 12, 2002. After July 1, 2012, this subsection (2)(a)(iii) shall have no further force and effect.

(b) Any person who may not be relieved of the duty to register may petition the court to be exempted from any community notification requirements that the person may be subject to fifteen years after the later of the entry of the judgment and sentence or the last date of release from confinement, including full-time residential treatment, pursuant to the conviction, if the person has spent the time in the community without being convicted of a disqualifying offense.

(3) A petition for relief from registration or exemption from notification under this section shall be made to the court in which the petitioner was convicted of the offense that subjects him or her to the duty to register or, in the case of convictions in other states, a foreign country, or a federal or military court, to the court in (~~Thurston~~) the county where the person is registered at the time the petition is sought. The prosecuting attorney of the county shall be named and served as the respondent in any such petition.

(4)(a) The court may relieve a petitioner of the duty to register only if the petitioner shows by clear and convincing evidence that the petitioner is sufficiently rehabilitated to warrant removal from the central registry of sex offenders and kidnapping offenders.

(b) In determining whether the petitioner is sufficiently rehabilitated to warrant removal from the registry, the following factors are provided as guidance to assist the court in making its determination:

(i) The nature of the registrable offense committed including the number of victims and the length of the offense history;

(ii) Any subsequent criminal history;

(iii) The petitioner's compliance with supervision requirements;

(iv) The length of time since the charged incident(s) occurred;

(v) Any input from community corrections officers, law enforcement, or treatment providers;

(vi) Participation in sex offender treatment;

(vii) Participation in other treatment and rehabilitative programs;

(viii) The offender's stability in employment and housing;

(ix) The offender's community and personal support system;

(x) Any risk assessments or evaluations prepared by a qualified professional;

(xi) Any updated polygraph examination;

(xii) Any input of the victim;

(xiii) Any other factors the court may consider relevant.

(5)(a) A person who has been convicted of an aggravated offense, or has been convicted of one or more prior sexually violent offenses or criminal offenses against a victim who is a minor, as defined in (b) of this subsection:

(i) Until July 1, 2012, may not be relieved of the duty to register;

(ii) After July 1, 2012, may petition the court to be relieved of the duty to register as provided in this section;

(iii) This provision shall apply to convictions for crimes committed on or after July 22, 2001.

(b) Unless the context clearly requires otherwise, the following definitions apply only to the federal lifetime registration requirements under this subsection:

(i) "Aggravated offense" means an adult conviction that meets the definition of 18 U.S.C. Sec. 2241, which is limited to the following:

(A) Any sex offense involving sexual intercourse or sexual contact where the victim is under twelve years of age;

(B) RCW 9A.44.040 (rape in the first degree), RCW 9A.44.073 (rape of a child in the first degree), or RCW 9A.44.083 (child molestation in the first degree);

(C) Any of the following offenses when committed by forcible compulsion or by the offender administering, by threat or force or without the knowledge or permission of that person, a drug, intoxicant, or other similar substance that substantially impairs the ability of that person to appraise or control conduct: RCW 9A.44.050 (rape in the second degree), RCW 9A.44.100 (indecent liberties), RCW 9A.44.160 (custodial sexual misconduct in the first degree), RCW 9A.64.020 (incest), or RCW 9.68A.040 (sexual exploitation of a minor);

(D) Any of the following offenses when committed by forcible compulsion or by the offender administering, by threat or force or without the knowledge or permission of that person, a drug, intoxicant, or other similar substance that substantially impairs the ability of that person to appraise or control conduct, if the victim is twelve years of age or over but under sixteen years of age and the offender is eighteen years of age or over and is more than forty-eight months older than the victim: RCW 9A.44.076 (rape of a child in the second degree), RCW 9A.44.079 (rape of a child in the third degree), RCW 9A.44.086 (child molestation in the second degree), or RCW 9A.44.089 (child molestation in the third degree);

(E) A felony with a finding of sexual motivation under RCW 9.94A.835 where the victim is under twelve years of age or that is committed by forcible compulsion or by the offender administering, by threat or force or without the knowledge or permission of that person, a drug, intoxicant, or other similar substance that substantially impairs the ability of that person to appraise or control conduct;

(F) An offense that is, under chapter 9A.28 RCW, an attempt or solicitation to commit such an offense; or

(G) An offense defined by federal law or the laws of another state that is equivalent to the offenses listed in (b)(i)(A) through (F) of this subsection.

(ii) "Sexually violent offense" means an adult conviction that meets the definition of 42 U.S.C. Sec. 14071(a)(1)(A), which is limited to the following:

(A) An aggravated offense;

(B) An offense that is not an aggravated offense but meets the definition of 18 U.S.C. Sec. 2242, which is limited to RCW 9A.44.050(1) (b) through (f)

(rape in the second degree) and RCW 9A.44.100(1) (b) through (f) (indecent liberties);

(C) A felony with a finding of sexual motivation under RCW 9.94A.835 where the victim is incapable of appraising the nature of the conduct or physically incapable of declining participation in, or communicating unwillingness to engage in, the conduct;

(D) An offense that is, under chapter 9A.28 RCW, an attempt or solicitation to commit such an offense; or

(E) An offense defined by federal law or the laws of another state that is equivalent to the offenses listed in (b)(ii)(A) through (D) of this subsection.

(iii) "Criminal offense against a victim who is a minor" means, in addition to any aggravated offense or sexually violent offense where the victim was under eighteen years of age, an adult conviction for the following offenses where the victim is under eighteen years of age:

(A) RCW 9A.44.060 (rape in the third degree), RCW 9A.44.076 (rape of a child in the second degree), RCW 9A.44.079 (rape of a child in the third degree), RCW 9A.44.086 (child molestation in the second degree), RCW 9A.44.089 (child molestation in the third degree), RCW 9A.44.093 (sexual misconduct with a minor in the first degree), RCW 9A.44.096 (sexual misconduct with a minor in the second degree), RCW 9A.44.160 (custodial sexual misconduct in the first degree), RCW 9A.64.020 (incest), RCW 9.68A.040 (sexual exploitation of a minor), RCW 9.68A.090 (communication with a minor for immoral purposes), or RCW 9.68A.100 (commercial sexual abuse of a minor);

(B) RCW 9A.40.020 (kidnapping in the first degree), RCW 9A.40.030 (kidnapping in the second degree), or RCW 9A.40.040 (unlawful imprisonment), where the victim is a minor and the offender is not the minor's parent;

(C) A felony with a finding of sexual motivation under RCW 9.94A.835 where the victim is a minor;

(D) An offense that is, under chapter 9A.28 RCW, an attempt or solicitation to commit such an offense; or

(E) An offense defined by federal law or the laws of another state that is equivalent to the offenses listed in (b)(iii)(A) through (D) of this subsection.

Sec. 8. RCW 43.43.540 and 2006 c 136 s 1 are each amended to read as follows:

(1) The county sheriff shall ~~((+))~~ forward ~~((the))~~ registration information, photographs, and fingerprints obtained pursuant to RCW 9A.44.130, including the sex offender's risk level classification and any notice of change of address, to the Washington state patrol within five working days~~((; and))~~.

(2) ~~Upon implementation of RCW 4.24.550(5)(a), the Washington state patrol ((will forward the information necessary to operate the registered sex offender web site described in RCW 4.24.550(5)(a) to the Washington association of sheriffs and police chiefs within five working days of receiving the information, including any notice of change of address or change in risk level notification. The state patrol))~~ shall maintain a central registry of sex offenders and kidnapping offenders required to register under RCW 9A.44.130 and shall adopt rules consistent with chapters 10.97, 10.98, and 43.43 RCW as are necessary to carry out the purposes of RCW 9A.44.130, 9A.44.140, 10.01.200, 43.43.540, 46.20.187, 70.48.470, and 72.09.330. The Washington state patrol

shall reimburse the counties for the costs of processing the offender registration, including taking the offender's fingerprints and ~~((the))~~ photograph(~~s~~).

Passed by the Senate April 15, 2011.

Passed by the House April 7, 2011.

Approved by the Governor May 12, 2011.

Filed in Office of Secretary of State May 13, 2011.

CHAPTER 338

[Substitute Senate Bill 5204]

SEX OFFENSES—JUVENILES—REGISTRATION—RECORDS—SCHOOLS

AN ACT Relating to juveniles who have been adjudicated of a sex offense; amending RCW 9A.44.143, 13.40.160, 13.50.050, and 72.09.345; adding a new section to chapter 13.40 RCW; and adding a new section to chapter 28A.300 RCW.

Be it enacted by the Legislature of the State of Washington:

Sec. 1. RCW 9A.44.143 and 2010 c 267 s 7 are each amended to read as follows:

(1) An offender having a duty to register under RCW 9A.44.130 for a sex offense or kidnapping offense committed when the offender was a juvenile may petition the superior court to be relieved of that duty as provided in this section.

(2) For class A sex offenses or kidnapping offenses committed when the petitioner was fifteen years of age or older, the court may relieve the petitioner of the duty to register if:

(a) At least sixty months have passed since the petitioner's adjudication and completion of any term of confinement for the offense giving rise to the duty to register and the petitioner has not been adjudicated or convicted of any additional sex offenses or kidnapping offenses;

(b) The petitioner has not been adjudicated or convicted of a violation of RCW 9A.44.132 (failure to register) during the sixty months prior to filing the petition; and

(c) The petitioner shows by a preponderance of the evidence that the petitioner is sufficiently rehabilitated to warrant removal from the central registry of sex offenders and kidnapping offenders.

(3) For all other sex offenses or kidnapping offenses committed by a juvenile not included in subsection (2) of this section, the court may relieve the petitioner of the duty to register if:

(a) At least twenty-four months have passed since the petitioner's adjudication and completion of any term of confinement for the offense giving rise to the duty to register and the petitioner has not been adjudicated or convicted of any additional sex offenses or kidnapping offenses;

(b) The petitioner has not been adjudicated or convicted of a violation of RCW 9A.44.132 (failure to register) during the twenty-four months prior to filing the petition; and

(c) ~~((i))~~ The petitioner was fifteen years of age or older at the time the sex offense or kidnapping offense was committed and the petitioner shows by clear and convincing evidence that the petitioner is sufficiently rehabilitated to warrant removal from the central registry of sex offenders and kidnapping offenders; or

~~(ii)~~) The petitioner (~~((was under the age of fifteen at the time the sex offense or kidnapping offense was committed and the petitioner))~~) shows by a preponderance of the evidence that the petitioner is sufficiently rehabilitated to warrant removal from the central registry of sex offenders and kidnapping offenders.

~~((3))~~) (4) A petition for relief from registration under this section shall be made to the court in which the petitioner was convicted of the offense that subjects him or her to the duty to register or, in the case of convictions in other states, a foreign country, or a federal or military court, to the court in Thurston county. The prosecuting attorney of the county shall be named and served as the respondent in any such petition.

~~((4))~~) (5) In determining whether the petitioner is sufficiently rehabilitated to warrant removal from the central registry of sex offenders and kidnapping offenders, the following factors are provided as guidance to assist the court in making its determination, to the extent the factors are applicable considering the age and circumstances of the petitioner:

- (a) The nature of the registrable offense committed including the number of victims and the length of the offense history;
- (b) Any subsequent criminal history;
- (c) The petitioner's compliance with supervision requirements;
- (d) The length of time since the charged incident(s) occurred;
- (e) Any input from community corrections officers, juvenile parole or probation officers, law enforcement, or treatment providers;
- (f) Participation in sex offender treatment;
- (g) Participation in other treatment and rehabilitative programs;
- (h) The offender's stability in employment and housing;
- (i) The offender's community and personal support system;
- (j) Any risk assessments or evaluations prepared by a qualified professional;
- (k) Any updated polygraph examination;
- (l) Any input of the victim;
- (m) Any other factors the court may consider relevant.

~~((5))~~) (6) A juvenile prosecuted and convicted of a sex offense or kidnapping offense as an adult may not petition to the superior court under this section.

Sec. 2. RCW 13.40.160 and 2007 c 199 s 14 are each amended to read as follows:

(1) The standard range disposition for a juvenile adjudicated of an offense is determined according to RCW 13.40.0357.

(a) When the court sentences an offender to a local sanction as provided in RCW 13.40.0357 option A, the court shall impose a determinate disposition within the standard ranges, except as provided in subsection (2), (3), (4), (5), or (6) of this section. The disposition may be comprised of one or more local sanctions.

(b) When the court sentences an offender to a standard range as provided in RCW 13.40.0357 option A that includes a term of confinement exceeding thirty days, commitment shall be to the department for the standard range of confinement, except as provided in subsection (2), (3), (4), (5), or (6) of this section.

(2) If the court concludes, and enters reasons for its conclusion, that disposition within the standard range would effectuate a manifest injustice the court shall impose a disposition outside the standard range, as indicated in option D of RCW 13.40.0357. The court's finding of manifest injustice shall be supported by clear and convincing evidence.

A disposition outside the standard range shall be determinate and shall be comprised of confinement or community supervision, or a combination thereof. When a judge finds a manifest injustice and imposes a sentence of confinement exceeding thirty days, the court shall sentence the juvenile to a maximum term, and the provisions of RCW 13.40.030(2) shall be used to determine the range. A disposition outside the standard range is appealable under RCW 13.40.230 by the state or the respondent. A disposition within the standard range is not appealable under RCW 13.40.230.

(3) ~~(When)~~ If a juvenile offender is found to have committed a sex offense, other than a sex offense that is also a serious violent offense as defined by RCW 9.94A.030, and has no history of a prior sex offense, the court ~~(, on its own motion or the motion of the state or the respondent, may order an examination to determine whether the respondent is amenable to treatment.~~

~~The report of the examination shall include at a minimum the following: The respondent's version of the facts and the official version of the facts, the respondent's offense history, an assessment of problems in addition to alleged deviant behaviors, the respondent's social, educational, and employment situation, and other evaluation measures used. The report shall set forth the sources of the evaluator's information.~~

~~The examiner shall assess and report regarding the respondent's amenability to treatment and relative risk to the community. A proposed treatment plan shall be provided and shall include, at a minimum:~~

- ~~(a)(i) Frequency and type of contact between the offender and therapist;~~
- ~~(ii) Specific issues to be addressed in the treatment and description of planned treatment modalities;~~
- ~~(iii) Monitoring plans, including any requirements regarding living conditions, lifestyle requirements, and monitoring by family members, legal guardians, or others;~~
- ~~(iv) Anticipated length of treatment; and~~
- ~~(v) Recommended crime related prohibitions.~~

~~The court on its own motion may order, or on a motion by the state shall order, a second examination regarding the offender's amenability to treatment. The evaluator shall be selected by the party making the motion. The defendant shall pay the cost of any second examination ordered unless the court finds the defendant to be indigent in which case the state shall pay the cost.~~

~~After receipt of reports of the examination, the court shall then consider whether the offender and the community will benefit from use of this special sex offender disposition alternative and consider the victim's opinion whether the offender should receive a treatment disposition under this section. If the court determines that this special sex offender disposition alternative is appropriate, then the court shall impose a determinate disposition within the standard range for the offense, or if the court concludes, and enters reasons for its conclusions, that such disposition would cause a manifest injustice, the court shall impose a disposition under option D, and the court may suspend the execution of the~~

~~disposition and place the offender on community supervision for at least two years. As a condition of the suspended disposition, the court may impose the conditions of community supervision and other conditions, including up to thirty days of confinement and requirements that the offender do any one or more of the following:~~

~~(b)(i) Devote time to a specific education, employment, or occupation;~~

~~(ii) Undergo available outpatient sex offender treatment for up to two years, or inpatient sex offender treatment not to exceed the standard range of confinement for that offense. A community mental health center may not be used for such treatment unless it has an appropriate program designed for sex offender treatment. The respondent shall not change sex offender treatment providers or treatment conditions without first notifying the prosecutor, the probation counselor, and the court, and shall not change providers without court approval after a hearing if the prosecutor or probation counselor object to the change;~~

~~(iii) Remain within prescribed geographical boundaries and notify the court or the probation counselor prior to any change in the offender's address, educational program, or employment;~~

~~(iv) Report to the prosecutor and the probation counselor prior to any change in a sex offender treatment provider. This change shall have prior approval by the court;~~

~~(v) Report as directed to the court and a probation counselor;~~

~~(vi) Pay all court ordered legal financial obligations, perform community restitution, or any combination thereof;~~

~~(vii) Make restitution to the victim for the cost of any counseling reasonably related to the offense;~~

~~(viii) Comply with the conditions of any court ordered probation bond; or~~

~~(ix) The court shall order that the offender shall not attend the public or approved private elementary, middle, or high school attended by the victim or the victim's siblings. The parents or legal guardians of the offender are responsible for transportation or other costs associated with the offender's change of school that would otherwise be paid by the school district. The court shall send notice of the disposition and restriction on attending the same school as the victim or victim's siblings to the public or approved private school the juvenile will attend, if known, or if unknown, to the approved private schools and the public school district board of directors of the district in which the juvenile resides or intends to reside. This notice must be sent at the earliest possible date but not later than ten calendar days after entry of the disposition.~~

~~The sex offender treatment provider shall submit quarterly reports on the respondent's progress in treatment to the court and the parties. The reports shall reference the treatment plan and include at a minimum the following: Dates of attendance, respondent's compliance with requirements, treatment activities, the respondent's relative progress in treatment, and any other material specified by the court at the time of the disposition.~~

~~At the time of the disposition, the court may set treatment review hearings as the court considers appropriate.~~

~~Except as provided in this subsection (3), after July 1, 1991, examinations and treatment ordered pursuant to this subsection shall only be conducted by certified sex offender treatment providers or certified affiliate sex offender~~

~~treatment providers under chapter 18.155 RCW. A sex offender therapist who examines or treats a juvenile sex offender pursuant to this subsection does not have to be certified by the department of health pursuant to chapter 18.155 RCW if the court finds that: (A) The offender has already moved to another state or plans to move to another state for reasons other than circumventing the certification requirements; (B) no certified sex offender treatment providers or certified affiliate sex offender treatment providers are available for treatment within a reasonable geographical distance of the offender's home; and (C) the evaluation and treatment plan comply with this subsection (3) and the rules adopted by the department of health.~~

~~If the offender violates any condition of the disposition or the court finds that the respondent is failing to make satisfactory progress in treatment, the court may revoke the suspension and order execution of the disposition or the court may impose a penalty of up to thirty days' confinement for violating conditions of the disposition. The court may order both execution of the disposition and up to thirty days' confinement for the violation of the conditions of the disposition. The court shall give credit for any confinement time previously served if that confinement was for the offense for which the suspension is being revoked.~~

~~For purposes of this section, "victim" means any person who has sustained emotional, psychological, physical, or financial injury to person or property as a direct result of the crime charged. "Victim" may also include a known parent or guardian of a victim who is a minor child unless the parent or guardian is the perpetrator of the offense.~~

~~A disposition entered under this subsection (3) is not appealable under RCW 13.40.230)) may impose the special sex offender disposition alternative under section 3 of this act.~~

(4) If the juvenile offender is subject to a standard range disposition of local sanctions or 15 to 36 weeks of confinement and has not committed an A- or B+ offense, the court may impose the disposition alternative under RCW 13.40.165.

(5) If a juvenile is subject to a commitment of 15 to 65 weeks of confinement, the court may impose the disposition alternative under RCW 13.40.167.

(6) When the offender is subject to a standard range commitment of 15 to 36 weeks and is ineligible for a suspended disposition alternative, a manifest injustice disposition below the standard range, special sex offender disposition alternative, chemical dependency disposition alternative, or mental health disposition alternative, the court in a county with a pilot program under RCW 13.40.169 may impose the disposition alternative under RCW 13.40.169.

(7) RCW 13.40.193 shall govern the disposition of any juvenile adjudicated of possessing a firearm in violation of RCW 9A.040(2)(a)(iii) or any crime in which a special finding is entered that the juvenile was armed with a firearm.

(8) RCW 13.40.308 shall govern the disposition of any juvenile adjudicated of theft of a motor vehicle as defined under RCW 9A.56.065, possession of a stolen motor vehicle as defined under RCW 9A.56.068, taking a motor vehicle without permission in the first degree under RCW 9A.56.070, and taking a motor vehicle without permission in the second degree under RCW 9A.56.075.

(9) Whenever a juvenile offender is entitled to credit for time spent in detention prior to a dispositional order, the dispositional order shall specifically state the number of days of credit for time served.

(10) Except as provided under subsection (3), (4), (5), or (6) of this section, or option B of RCW 13.40.0357, or RCW 13.40.127, the court shall not suspend or defer the imposition or the execution of the disposition.

(11) In no case shall the term of confinement imposed by the court at disposition exceed that to which an adult could be subjected for the same offense.

NEW SECTION. Sec. 3. A new section is added to chapter 13.40 RCW to read as follows:

(1) A juvenile offender is eligible for the special sex offender disposition alternative when:

(a) The offender is found to have committed a sex offense, other than a sex offense that is also a serious violent offense as defined by RCW 9.94A.030; and

(b) The offender has no history of a prior sex offense.

(2) If the court finds the offender is eligible for this alternative, the court, on its own motion or the motion of the state or the respondent, may order an examination to determine whether the respondent is amenable to treatment.

(a) The report of the examination shall include at a minimum the following:

(i) The respondent's version of the facts and the official version of the facts;

(ii) The respondent's offense history;

(iii) An assessment of problems in addition to alleged deviant behaviors;

(iv) The respondent's social, educational, and employment situation;

(v) Other evaluation measures used.

The report shall set forth the sources of the evaluator's information.

(b) The examiner shall assess and report regarding the respondent's amenability to treatment and relative risk to the community. A proposed treatment plan shall be provided and shall include, at a minimum:

(i) The frequency and type of contact between the offender and therapist;

(ii) Specific issues to be addressed in the treatment and description of planned treatment modalities;

(iii) Monitoring plans, including any requirements regarding living conditions, lifestyle requirements, and monitoring by family members, legal guardians, or others;

(iv) Anticipated length of treatment; and

(v) Recommended crime-related prohibitions.

(c) The court on its own motion may order, or on a motion by the state shall order, a second examination regarding the offender's amenability to treatment. The evaluator shall be selected by the party making the motion. The defendant shall pay the cost of any second examination ordered unless the court finds the defendant to be indigent in which case the state shall pay the cost.

(3) After receipt of reports of the examination, the court shall then consider whether the offender and the community will benefit from use of this special sex offender disposition alternative and consider the victim's opinion whether the offender should receive a treatment disposition under this section. If the court determines that this special sex offender disposition alternative is appropriate, then the court shall impose a determinate disposition within the standard range for the offense, or if the court concludes, and enters reasons for its conclusions, that such disposition would cause a manifest injustice, the court shall impose a disposition under option D, and the court may suspend the execution of the

disposition and place the offender on community supervision for at least two years.

(4) As a condition of the suspended disposition, the court may impose the conditions of community supervision and other conditions, including up to thirty days of confinement and requirements that the offender do any one or more of the following:

(a) Devote time to a specific education, employment, or occupation;

(b) Undergo available outpatient sex offender treatment for up to two years, or inpatient sex offender treatment not to exceed the standard range of confinement for that offense. A community mental health center may not be used for such treatment unless it has an appropriate program designed for sex offender treatment. The respondent shall not change sex offender treatment providers or treatment conditions without first notifying the prosecutor, the probation counselor, and the court, and shall not change providers without court approval after a hearing if the prosecutor or probation counselor object to the change;

(c) Remain within prescribed geographical boundaries and notify the court or the probation counselor prior to any change in the offender's address, educational program, or employment;

(d) Report to the prosecutor and the probation counselor prior to any change in a sex offender treatment provider. This change shall have prior approval by the court;

(e) Report as directed to the court and a probation counselor;

(f) Pay all court-ordered legal financial obligations, perform community restitution, or any combination thereof;

(g) Make restitution to the victim for the cost of any counseling reasonably related to the offense; or

(h) Comply with the conditions of any court-ordered probation bond.

(5) If the court orders twenty-four hour, continuous monitoring of the offender while on probation, the court shall include the basis for this condition in its findings.

(6)(a) The court must order the offender not to attend the public or approved private elementary, middle, or high school attended by the victim or the victim's siblings.

(b) The parents or legal guardians of the offender are responsible for transportation or other costs associated with the offender's change of school that would otherwise be paid by the school district.

(c) The court shall send notice of the disposition and restriction on attending the same school as the victim or victim's siblings to the public or approved private school the juvenile will attend, if known, or if unknown, to the approved private schools and the public school district board of directors of the district in which the juvenile resides or intends to reside. This notice must be sent at the earliest possible date but not later than ten calendar days after entry of the disposition.

(7)(a) The sex offender treatment provider shall submit quarterly reports on the respondent's progress in treatment to the court and the parties. The reports shall reference the treatment plan and include at a minimum the following: Dates of attendance, respondent's compliance with requirements, treatment

activities, the respondent's relative progress in treatment, and any other material specified by the court at the time of the disposition.

(b) At the time of the disposition, the court may set treatment review hearings as the court considers appropriate.

(c) Except as provided in this subsection, examinations and treatment ordered pursuant to this subsection shall only be conducted by certified sex offender treatment providers or certified affiliate sex offender treatment providers under chapter 18.155 RCW.

(d) A sex offender therapist who examines or treats a juvenile sex offender pursuant to this subsection does not have to be certified by the department of health pursuant to chapter 18.155 RCW if the court finds that: (i) The offender has already moved to another state or plans to move to another state for reasons other than circumventing the certification requirements; (ii) no certified sex offender treatment providers or certified affiliate sex offender treatment providers are available for treatment within a reasonable geographical distance of the offender's home; and (iii) the evaluation and treatment plan comply with this subsection and the rules adopted by the department of health.

(8)(a) If the offender violates any condition of the disposition or the court finds that the respondent is failing to make satisfactory progress in treatment, the court may revoke the suspension and order execution of the disposition or the court may impose a penalty of up to thirty days confinement for violating conditions of the disposition.

(b) The court may order both execution of the disposition and up to thirty days confinement for the violation of the conditions of the disposition.

(c) The court shall give credit for any confinement time previously served if that confinement was for the offense for which the suspension is being revoked.

(9) For purposes of this section, "victim" means any person who has sustained emotional, psychological, physical, or financial injury to person or property as a direct result of the crime charged. "Victim" may also include a known parent or guardian of a victim who is a minor child unless the parent or guardian is the perpetrator of the offense.

(10) A disposition entered under this section is not appealable under RCW 13.40.230.

Sec. 4. RCW 13.50.050 and 2010 c 150 s 2 are each amended to read as follows:

(1) This section governs records relating to the commission of juvenile offenses, including records relating to diversions.

(2) The official juvenile court file of any alleged or proven juvenile offender shall be open to public inspection, unless sealed pursuant to subsection (12) of this section.

(3) All records other than the official juvenile court file are confidential and may be released only as provided in this section, RCW 13.50.010, 13.40.215, and 4.24.550.

(4) Except as otherwise provided in this section and RCW 13.50.010, records retained or produced by any juvenile justice or care agency may be released to other participants in the juvenile justice or care system only when an investigation or case involving the juvenile in question is being pursued by the other participant or when that other participant is assigned the responsibility for supervising the juvenile.

(5) Except as provided in RCW 4.24.550, information not in an official juvenile court file concerning a juvenile or a juvenile's family may be released to the public only when that information could not reasonably be expected to identify the juvenile or the juvenile's family.

(6) Notwithstanding any other provision of this chapter, the release, to the juvenile or his or her attorney, of law enforcement and prosecuting attorneys' records pertaining to investigation, diversion, and prosecution of juvenile offenses shall be governed by the rules of discovery and other rules of law applicable in adult criminal investigations and prosecutions.

(7) Upon the decision to arrest or the arrest, law enforcement and prosecuting attorneys may cooperate with schools in releasing information to a school pertaining to the investigation, diversion, and prosecution of a juvenile attending the school. Upon the decision to arrest or the arrest, incident reports may be released unless releasing the records would jeopardize the investigation or prosecution or endanger witnesses. If release of incident reports would jeopardize the investigation or prosecution or endanger witnesses, law enforcement and prosecuting attorneys may release information to the maximum extent possible to assist schools in protecting other students, staff, and school property.

(8) The juvenile court and the prosecutor may set up and maintain a central recordkeeping system which may receive information on all alleged juvenile offenders against whom a complaint has been filed pursuant to RCW 13.40.070 whether or not their cases are currently pending before the court. The central recordkeeping system may be computerized. If a complaint has been referred to a diversion unit, the diversion unit shall promptly report to the juvenile court or the prosecuting attorney when the juvenile has agreed to diversion. An offense shall not be reported as criminal history in any central recordkeeping system without notification by the diversion unit of the date on which the offender agreed to diversion.

(9) Upon request of the victim of a crime or the victim's immediate family, the identity of an alleged or proven juvenile offender alleged or found to have committed a crime against the victim and the identity of the alleged or proven juvenile offender's parent, guardian, or custodian and the circumstance of the alleged or proven crime shall be released to the victim of the crime or the victim's immediate family.

(10) Subject to the rules of discovery applicable in adult criminal prosecutions, the juvenile offense records of an adult criminal defendant or witness in an adult criminal proceeding shall be released upon request to prosecution and defense counsel after a charge has actually been filed. The juvenile offense records of any adult convicted of a crime and placed under the supervision of the adult corrections system shall be released upon request to the adult corrections system.

(11) In any case in which an information has been filed pursuant to RCW 13.40.100 or a complaint has been filed with the prosecutor and referred for diversion pursuant to RCW 13.40.070, the person the subject of the information or complaint may file a motion with the court to have the court vacate its order and findings, if any, and, subject to subsection (23) of this section, order the sealing of the official juvenile court file, the social file, and records of the court and of any other agency in the case.

(12)(a) The court shall not grant any motion to seal records for class A offenses made pursuant to subsection (11) of this section that is filed on or after July 1, 1997, unless:

(i) Since the last date of release from confinement, including full-time residential treatment, if any, or entry of disposition, the person has spent five consecutive years in the community without committing any offense or crime that subsequently results in an adjudication or conviction;

(ii) No proceeding is pending against the moving party seeking the conviction of a juvenile offense or a criminal offense;

(iii) No proceeding is pending seeking the formation of a diversion agreement with that person;

(iv) The person is no longer required to register as a sex offender under RCW 9A.44.130 or has ~~((not))~~ been relieved of the duty to register under RCW 9A.44.143 if the person was convicted of a sex offense;

(v) The person has not been convicted of rape in the first degree, rape in the second degree, or indecent liberties that was actually committed with forcible compulsion; and

~~((v))~~ (vi) Full restitution has been paid.

(b) The court shall not grant any motion to seal records for class B, C, gross misdemeanor and misdemeanor offenses and diversions made under subsection (11) of this section unless:

(i) Since the date of last release from confinement, including full-time residential treatment, if any, entry of disposition, or completion of the diversion agreement, the person has spent two consecutive years in the community without being convicted of any offense or crime;

(ii) No proceeding is pending against the moving party seeking the conviction of a juvenile offense or a criminal offense;

(iii) No proceeding is pending seeking the formation of a diversion agreement with that person;

(iv) The person is no longer required to register as a sex offender under RCW 9A.44.130 or has ~~((not))~~ been relieved of the duty to register under RCW 9A.44.143 if the person was convicted of a sex offense; and

(v) Full restitution has been paid.

(13) The person making a motion pursuant to subsection (11) of this section shall give reasonable notice of the motion to the prosecution and to any person or agency whose files are sought to be sealed.

(14) If the court grants the motion to seal made pursuant to subsection (11) of this section, it shall, subject to subsection (23) of this section, order sealed the official juvenile court file, the social file, and other records relating to the case as are named in the order. Thereafter, the proceedings in the case shall be treated as if they never occurred, and the subject of the records may reply accordingly to any inquiry about the events, records of which are sealed. Any agency shall reply to any inquiry concerning confidential or sealed records that records are confidential, and no information can be given about the existence or nonexistence of records concerning an individual.

(15) Inspection of the files and records included in the order to seal may thereafter be permitted only by order of the court upon motion made by the person who is the subject of the information or complaint, except as otherwise provided in RCW 13.50.010(8) and subsection (23) of this section.

(16) Any adjudication of a juvenile offense or a crime subsequent to sealing has the effect of nullifying the sealing order. Any charging of an adult felony subsequent to the sealing has the effect of nullifying the sealing order for the purposes of chapter 9.94A RCW. The administrative office of the courts shall ensure that the superior court judicial information system provides prosecutors access to information on the existence of sealed juvenile records.

(17)(a)(i) Subject to subsection (23) of this section, all records maintained by any court or law enforcement agency, including the juvenile court, local law enforcement, the Washington state patrol, and the prosecutor's office, shall be automatically destroyed within ninety days of becoming eligible for destruction. Juvenile records are eligible for destruction when:

(A) The person who is the subject of the information or complaint is at least eighteen years of age;

(B) His or her criminal history consists entirely of one diversion agreement or counsel and release entered on or after June 12, 2008;

(C) Two years have elapsed since completion of the agreement or counsel and release;

(D) No proceeding is pending against the person seeking the conviction of a criminal offense; and

(E) There is no restitution owing in the case.

(ii) No less than quarterly, the administrative office of the courts shall provide a report to the juvenile courts of those individuals whose records may be eligible for destruction. The juvenile court shall verify eligibility and notify the Washington state patrol and the appropriate local law enforcement agency and prosecutor's office of the records to be destroyed. The requirement to destroy records under this subsection is not dependent on a court hearing or the issuance of a court order to destroy records.

(iii) The state and local governments and their officers and employees are not liable for civil damages for the failure to destroy records pursuant to this section.

(b) A person eighteen years of age or older whose criminal history consists entirely of one diversion agreement or counsel and release entered prior to June 12, 2008, may request that the court order the records in his or her case destroyed. The request shall be granted, subject to subsection (23) of this section, if the court finds that two years have elapsed since completion of the agreement or counsel and release.

(c) A person twenty-three years of age or older whose criminal history consists of only referrals for diversion may request that the court order the records in those cases destroyed. The request shall be granted, subject to subsection (23) of this section, if the court finds that all diversion agreements have been successfully completed and no proceeding is pending against the person seeking the conviction of a criminal offense.

(18) If the court grants the motion to destroy records made pursuant to subsection (17)(b) or (c) of this section, it shall, subject to subsection (23) of this section, order the official juvenile court file, the social file, and any other records named in the order to be destroyed.

(19) The person making the motion pursuant to subsection (17)(b) or (c) of this section shall give reasonable notice of the motion to the prosecuting attorney and to any agency whose records are sought to be destroyed.

(20) Any juvenile to whom the provisions of this section may apply shall be given written notice of his or her rights under this section at the time of his or her disposition hearing or during the diversion process.

(21) Nothing in this section may be construed to prevent a crime victim or a member of the victim's family from divulging the identity of the alleged or proven juvenile offender or his or her family when necessary in a civil proceeding.

(22) Any juvenile justice or care agency may, subject to the limitations in subsection (23) of this section and (a) and (b) of this subsection, develop procedures for the routine destruction of records relating to juvenile offenses and diversions.

(a) Records may be routinely destroyed only when the person the subject of the information or complaint has attained twenty-three years of age or older or pursuant to subsection (17)(a) of this section.

(b) The court may not routinely destroy the official juvenile court file or recordings or transcripts of any proceedings.

(23) No identifying information held by the Washington state patrol in accordance with chapter 43.43 RCW is subject to destruction or sealing under this section. For the purposes of this subsection, identifying information includes photographs, fingerprints, palmprints, soleprints, toeprints and any other data that identifies a person by physical characteristics, name, birthdate or address, but does not include information regarding criminal activity, arrest, charging, diversion, conviction or other information about a person's treatment by the criminal justice system or about the person's behavior.

(24) Information identifying child victims under age eighteen who are victims of sexual assaults by juvenile offenders is confidential and not subject to release to the press or public without the permission of the child victim or the child's legal guardian. Identifying information includes the child victim's name, addresses, location, photographs, and in cases in which the child victim is a relative of the alleged perpetrator, identification of the relationship between the child and the alleged perpetrator. Information identifying a child victim of sexual assault may be released to law enforcement, prosecutors, judges, defense attorneys, or private or governmental agencies that provide services to the child victim of sexual assault.

Sec. 5. RCW 72.09.345 and 2008 c 231 s 49 are each amended to read as follows:

(1) In addition to any other information required to be released under this chapter, the department is authorized, pursuant to RCW 4.24.550, to release relevant information that is necessary to protect the public concerning offenders convicted of sex offenses.

(2) In order for public agencies to have the information necessary to notify the public as authorized in RCW 4.24.550, the secretary shall establish and administer an end-of-sentence review committee for the purposes of assigning risk levels, reviewing available release plans, and making appropriate referrals for sex offenders. ~~((The committee shall assess, on a case-by-case basis, the public risk posed by sex offenders who are: (a) Preparing for their release from confinement for sex offenses committed on or after July 1, 1984; and (b) accepted from another state under a reciprocal agreement under the interstate compact authorized in chapter 72.74 RCW.))~~

(3) The committee shall assess, on a case-by-case basis, the public risk posed by:

(a) Offenders preparing for release from confinement for a sex offense or sexually violent offense committed on or after July 1, 1984;

(b) Sex offenders accepted from another state under a reciprocal agreement under the interstate corrections compact authorized in chapter 72.74 RCW;

(c) Juveniles preparing for release from confinement for a sex offense and releasing from the department of social and health services juvenile rehabilitation administration;

(d) Juveniles, following disposition, under the jurisdiction of a county juvenile court for a registerable sex offense; and

(e) Juveniles found to have committed a sex offense and accepted from another state under a reciprocal agreement under the interstate compact for juveniles authorized in chapter 13.24 RCW.

(4) Notwithstanding any other provision of law, the committee shall have access to all relevant records and information in the possession of public agencies relating to the offenders under review, including police reports; prosecutors' statements of probable cause; presentence investigations and reports; complete judgments and sentences; current classification referrals; criminal history summaries; violation and disciplinary reports; all psychological evaluations and psychiatric hospital reports; sex offender treatment program reports; and juvenile records. Records and information obtained under this subsection shall not be disclosed outside the committee unless otherwise authorized by law.

~~((4))~~ (5) The committee shall review each sex offender under its authority before the offender's release from confinement or start of the offender's term of community custody in order to: (a) Classify the offender into a risk level for the purposes of public notification under RCW 4.24.550; (b) where available, review the offender's proposed release plan in accordance with the requirements of RCW 72.09.340; and (c) make appropriate referrals.

~~((5))~~ (6) The committee shall classify as risk level I those sex offenders whose risk assessments indicate a low risk of reoffense within the community at large. The committee shall classify as risk level II those offenders whose risk assessments indicate a moderate risk of reoffense within the community at large. The committee shall classify as risk level III those offenders whose risk assessments indicate a high risk of reoffense within the community at large.

~~((6))~~ (7) The committee shall issue to appropriate law enforcement agencies, for their use in making public notifications under RCW 4.24.550, narrative notices regarding the pending release of sex offenders from the department's facilities. The narrative notices shall, at a minimum, describe the identity and criminal history behavior of the offender and shall include the department's risk level classification for the offender. For sex offenders classified as either risk level II or III, the narrative notices shall also include the reasons underlying the classification.

NEW SECTION. Sec. 6. A new section is added to chapter 28A.300 RCW to read as follows:

The superintendent of public instruction shall publish on its web site, with a link to the safety center web page, a revised and updated sample policy for

schools to follow regarding students required to register as sex or kidnapping offenders.

Passed by the Senate April 21, 2011.

Passed by the House April 9, 2011.

Approved by the Governor May 12, 2011.

Filed in Office of Secretary of State May 13, 2011.

CHAPTER 339

[Substitute Senate Bill 5385]

STATE WILDLIFE ACCOUNT—REVENUE

AN ACT Relating to increasing revenue to the state wildlife account; amending RCW 77.08.045, 77.12.170, 77.12.177, 77.32.050, 77.32.240, 77.32.350, 77.32.370, 77.32.430, 77.32.450, 77.32.460, 77.32.470, 77.32.520, 77.32.580, 77.65.020, 77.65.090, 77.65.110, 77.65.150, 77.65.160, 77.65.170, 77.65.190, 77.65.200, 77.65.210, 77.65.220, 77.65.280, 77.65.340, 77.65.390, 77.65.440, 77.65.450, 77.65.480, 77.65.510, 77.70.080, 77.70.190, 77.70.220, 77.70.260, 77.70.490, and 77.115.040; reenacting and amending RCW 43.84.092; repealing RCW 77.32.510; providing effective dates; providing an expiration date; and declaring an emergency.

Be it enacted by the Legislature of the State of Washington:

Sec. 1. RCW 43.84.092 and 2010 1st sp.s. c 30 s 20, 2010 1st sp.s. c 9 s 7, 2010 c 248 s 6, 2010 c 222 s 5, 2010 c 162 s 6, and 2010 c 145 s 11 are each reenacted and amended to read as follows:

(1) All earnings of investments of surplus balances in the state treasury shall be deposited to the treasury income account, which account is hereby established in the state treasury.

(2) The treasury income account shall be utilized to pay or receive funds associated with federal programs as required by the federal cash management improvement act of 1990. The treasury income account is subject in all respects to chapter 43.88 RCW, but no appropriation is required for refunds or allocations of interest earnings required by the cash management improvement act. Refunds of interest to the federal treasury required under the cash management improvement act fall under RCW 43.88.180 and shall not require appropriation. The office of financial management shall determine the amounts due to or from the federal government pursuant to the cash management improvement act. The office of financial management may direct transfers of funds between accounts as deemed necessary to implement the provisions of the cash management improvement act, and this subsection. Refunds or allocations shall occur prior to the distributions of earnings set forth in subsection (4) of this section.

(3) Except for the provisions of RCW 43.84.160, the treasury income account may be utilized for the payment of purchased banking services on behalf of treasury funds including, but not limited to, depository, safekeeping, and disbursement functions for the state treasury and affected state agencies. The treasury income account is subject in all respects to chapter 43.88 RCW, but no appropriation is required for payments to financial institutions. Payments shall occur prior to distribution of earnings set forth in subsection (4) of this section.

(4) Monthly, the state treasurer shall distribute the earnings credited to the treasury income account. The state treasurer shall credit the general fund with all the earnings credited to the treasury income account except:

(a) The following accounts and funds shall receive their proportionate share of earnings based upon each account's and fund's average daily balance for the period: The aeronautics account, the aircraft search and rescue account, the budget stabilization account, the capitol building construction account, the Cedar River channel construction and operation account, the Central Washington University capital projects account, the charitable, educational, penal and reformatory institutions account, the cleanup settlement account, the Columbia river basin water supply development account, the common school construction fund, the county arterial preservation account, the county criminal justice assistance account, the county sales and use tax equalization account, the deferred compensation administrative account, the deferred compensation principal account, the department of licensing services account, the department of retirement systems expense account, the developmental disabilities community trust account, the drinking water assistance account, the drinking water assistance repayment account, the Eastern Washington University capital projects account, the education construction fund, the education legacy trust account, the election account, the energy freedom account, the energy recovery act account, the essential rail assistance account, The Evergreen State College capital projects account, the federal forest revolving account, the ferry bond retirement fund, the freight congestion relief account, the freight mobility investment account, the freight mobility multimodal account, the grade crossing protective fund, the public health services account, the health system capacity account, the high capacity transportation account, the state higher education construction account, the higher education construction account, the highway bond retirement fund, the highway infrastructure account, the highway safety account, the high occupancy toll lanes operations account, the hospital safety net assessment fund, the industrial insurance premium refund account, the judges' retirement account, the judicial retirement administrative account, the judicial retirement principal account, the local leasehold excise tax account, the local real estate excise tax account, the local sales and use tax account, the marine resources stewardship trust account, the medical aid account, the mobile home park relocation fund, the motor vehicle fund, the motorcycle safety education account, the multiagency permitting team account, the multimodal transportation account, the municipal criminal justice assistance account, the municipal sales and use tax equalization account, the natural resources deposit account, the oyster reserve land account, the pension funding stabilization account, the perpetual surveillance and maintenance account, the public employees' retirement system plan 1 account, the public employees' retirement system combined plan 2 and plan 3 account, the public facilities construction loan revolving account beginning July 1, 2004, the public health supplemental account, the public transportation systems account, the public works assistance account, the Puget Sound capital construction account, the Puget Sound ferry operations account, the Puyallup tribal settlement account, the real estate appraiser commission account, the recreational vehicle account, the regional mobility grant program account, the resource management cost account, the rural arterial trust account, the rural Washington loan fund, the site closure account, the small city pavement and sidewalk account, the special category C account, the special wildlife account, the state employees' insurance account, the state employees' insurance reserve account, the state investment

board expense account, the state investment board commingled trust fund accounts, the state patrol highway account, the state route number 520 civil penalties account, the state route number 520 corridor account, the state wildlife account, the supplemental pension account, the Tacoma Narrows toll bridge account, the teachers' retirement system plan 1 account, the teachers' retirement system combined plan 2 and plan 3 account, the tobacco prevention and control account, the tobacco settlement account, the transportation 2003 account (nickel account), the transportation equipment fund, the transportation fund, the transportation improvement account, the transportation improvement board bond retirement account, the transportation infrastructure account, the transportation partnership account, the traumatic brain injury account, the tuition recovery trust fund, the University of Washington bond retirement fund, the University of Washington building account, the urban arterial trust account, the volunteer firefighters' and reserve officers' relief and pension principal fund, the volunteer firefighters' and reserve officers' administrative fund, the Washington judicial retirement system account, the Washington law enforcement officers' and firefighters' system plan 1 retirement account, the Washington law enforcement officers' and firefighters' system plan 2 retirement account, the Washington public safety employees' plan 2 retirement account, the Washington school employees' retirement system combined plan 2 and 3 account, the Washington state health insurance pool account, the Washington state patrol retirement account, the Washington State University building account, the Washington State University bond retirement fund, the water pollution control revolving fund, and the Western Washington University capital projects account. Earnings derived from investing balances of the agricultural permanent fund, the normal school permanent fund, the permanent common school fund, the scientific permanent fund, and the state university permanent fund shall be allocated to their respective beneficiary accounts.

(b) Any state agency that has independent authority over accounts or funds not statutorily required to be held in the state treasury that deposits funds into a fund or account in the state treasury pursuant to an agreement with the office of the state treasurer shall receive its proportionate share of earnings based upon each account's or fund's average daily balance for the period.

(5) In conformance with Article II, section 37 of the state Constitution, no treasury accounts or funds shall be allocated earnings without the specific affirmative directive of this section.

Sec. 2. RCW 77.08.045 and 1998 c 191 s 31 are each amended to read as follows:

As used in this title or rules adopted pursuant to this title:

(1) "Migratory waterfowl" means members of the family Anatidae, including brants, ducks, geese, and swans;

(2) "Migratory bird" means migratory waterfowl and coots, snipe, doves, and band-tailed pigeon;

(3) "Migratory bird ~~((stamp))~~ permit" means the ~~((stamp))~~ permit that is required by RCW 77.32.350 to be in the possession of all persons to hunt migratory birds;

(4) "Prints and artwork" means replicas of the original stamp design that are sold to the general public. Prints and artwork are not to be construed to be the migratory bird ~~((stamp))~~ permit that is required by RCW 77.32.350. Artwork

may be any facsimile of the original stamp design, including color renditions, metal duplications, or any other kind of design; and

(5) "Migratory waterfowl art committee" means the committee created by RCW 77.12.680. The committee's primary function is to select the annual migratory bird stamp design.

Sec. 3. RCW 77.12.170 and 2009 c 333 s 13 are each amended to read as follows:

(1) There is established in the state treasury the state wildlife account which consists of moneys received from:

(a) Rentals or concessions of the department;

(b) The sale of real or personal property held for department purposes, unless the property is seized or recovered through a fish, shellfish, or wildlife enforcement action;

(c) The assessment of administrative penalties~~((, and))~~;

~~((d))~~ (d) The sale of licenses, permits, tags, and stamps required by chapter 77.32 RCW ((and)), RCW 77.65.490, ((except annual resident adult saltwater and all annual razor clam and shellfish licenses, which shall be deposited into the state general fund)) and application fees;

~~((e))~~ (e) Fees for informational materials published by the department;

~~((f))~~ (f) Fees for personalized vehicle, Wild on Washington, and Endangered Wildlife license plates and Washington's Wildlife license plate collection as provided in chapter 46.16 RCW;

~~((g))~~ (g) Articles or wildlife sold by the director under this title;

~~((h))~~ (h) Compensation for damage to department property or wildlife losses or contributions, gifts, or grants received under RCW 77.12.320. However, this excludes fish and shellfish overages, and court-ordered restitution or donations associated with any fish, shellfish, or wildlife enforcement action, as such moneys must be deposited pursuant to RCW 77.15.425;

~~((i))~~ (i) Excise tax on anadromous game fish collected under chapter 82.27 RCW;

~~((j))~~ (j) The department's share of revenues from auctions and raffles authorized by the commission; ((and

~~((k))~~ (k) The sale of watchable wildlife decals under RCW 77.32.560; and

(l) Donations received by the director under RCW 77.12.039.

(2) State and county officers receiving any moneys listed in subsection (1) of this section shall deposit them in the state treasury to be credited to the state wildlife account.

Sec. 4. RCW 77.12.177 and 2001 c 253 s 16 are each amended to read as follows:

(1) Except as provided in this title, state and county officers receiving the following moneys shall deposit them in the state general fund:

(a) The sale of commercial licenses required under this title, except for licenses issued under RCW 77.65.490; and

(b) Moneys received for damages to food fish or shellfish.

(2) The director shall make weekly remittances to the state treasurer of moneys collected by the department.

(3) All fines and forfeitures collected or assessed by a district court for a violation of this title or rule of the department shall be remitted as provided in chapter 3.62 RCW.

(4) Proceeds from the sale of food fish or shellfish taken in test fishing conducted by the department, to the extent that these proceeds exceed the estimates in the budget approved by the legislature, may be allocated as unanticipated receipts under RCW 43.79.270 to reimburse the department for unanticipated costs for test fishing operations in excess of the allowance in the budget approved by the legislature.

(5) Proceeds from the sale of salmon carcasses and salmon eggs from state general funded hatcheries by the department of general administration shall be deposited in the regional fisheries enhancement group account established in RCW 77.95.090.

~~(6) (Moneys received by the commission under RCW 77.12.039, to the extent these moneys exceed estimates in the budget approved by the legislature, may be allocated as unanticipated receipts under RCW 43.79.270. Allocations under this subsection shall be made only for the specific purpose for which the moneys were received, unless the moneys were received in settlement of a claim for damages to food fish or shellfish, in which case the moneys may be expended for the conservation of these resources.~~

~~(7))~~ Proceeds from the sale of herring spawn on kelp fishery licenses by the department, to the extent those proceeds exceed estimates in the budget approved by the legislature, may be allocated as unanticipated receipts under RCW 43.79.270. Allocations under this subsection shall be made only for herring management, enhancement, and enforcement.

Sec. 5. RCW 77.32.050 and 2009 c 333 s 71 are each amended to read as follows:

(1) All recreational and commercial licenses, permits, tags, ~~((and))~~ stamps ~~((required by this title and raffle tickets authorized under chapter 77.12 RCW)), and raffle tickets~~ shall be issued under the authority of the commission. The commission shall adopt rules for the issuance of ~~((recreational))~~ licenses, permits, tags, stamps, and raffle tickets, and for the collection, payment, and handling of license fees, including terms and conditions to govern dealers, and ~~((dealers'))~~ dealer fees. A transaction fee on commercial and recreational documents issued through an automated licensing system may be set by the commission and collected from licensees. The department may authorize all or part of such fee to be paid directly to a contractor providing automated licensing system services. ~~((Fees retained by dealers shall be uniform throughout the state.))~~ The department and dealers shall ~~((authorize dealers to))~~ collect and retain dealer fees of at least two dollars for purchase of a standard hunting or fishing recreational license document or commercial license document, except that the commission may set a lower dealer fee for issuance of tags or when a licensee buys a license that involves a stamp or display card format rather than a standard department licensing document form. Dealer fees must be uniform throughout the state.

(2) ~~((For the 2009-2011 biennium))~~ Until September 1, 2011, the department shall charge an additional transaction fee of ten percent on all recreational licenses, permits, tags, stamps, or raffle tickets. These transaction fees must be deposited into the state wildlife account, created in RCW

77.12.170, for funding fishing and hunting opportunities for recreational license holders.

(3) The application fee is waived for all commercial license documents that are issued through the automated licensing system.

Sec. 6. RCW 77.32.240 and 1998 c 191 s 21 are each amended to read as follows:

A scientific permit allows the holder to collect for research or display food fish, game fish, shellfish, and wildlife, including avian nests and eggs as required in RCW 77.32.010, under conditions prescribed by the director. Before a permit is issued, the applicant shall demonstrate to the director their qualifications and establish the need for the permit. The director may require a bond of up to one thousand dollars to ensure compliance with the permit. Permits are valid for the time specified, unless sooner revoked.

Holders of permits may exchange specimens with the approval of the director.

A permit holder who violates this section shall forfeit the permit and bond and shall not receive a similar permit for one year. The fee for a scientific permit is twelve dollars. The application fee is one hundred five dollars.

Sec. 7. RCW 77.32.350 and 2009 c 333 s 72 are each amended to read as follows:

In addition to a small game hunting license, a supplemental permit (~~or stamp~~) is required to hunt for migratory birds.

~~((4))~~ A migratory bird (~~validation~~) permit is required for all persons sixteen years of age or older to hunt migratory birds. The fee for the (~~validation~~) permit for hunters is (~~ten~~) fifteen dollars for residents and nonresidents. ~~((The fee for the stamp for collectors is ten dollars.~~

~~(2) The migratory bird license must be validated at the time of signature of the licensee.))~~

Sec. 8. RCW 77.32.370 and 1998 c 191 s 26 are each amended to read as follows:

(1) A special hunting season permit is required to hunt in each special season (~~established under chapter 77.12 RCW~~).

(2) Persons may apply for special hunting season permits as provided by rule of the commission.

(3) ~~((The application fee to enter the drawing for a special hunting permit is five dollars for residents, fifty dollars for nonresidents, and three dollars for youth.))~~ The application fee to enter a drawing for a special hunting season permit or authorization is:

(a) Six dollars for residents, or one hundred dollars for nonresidents, for the permits in categories designated by the commission for deer or elk, female big game, or for small game;

(b) Twelve dollars for residents, or one hundred dollars for nonresidents, for the permits that the commission designates as "quality" hunts that allow the harvest of buck deer, bull elk, or allow the harvest of male big game species that are only available for hunting by special permit;

(c) Twelve dollars for residents and nonresidents to apply for special authorizations to hunt for migratory birds; and

(d) Three dollars for youth for any special hunt drawing or special authorization.

Sec. 9. RCW 77.32.430 and 2010 c 193 s 11 are each amended to read as follows:

(1) Catch record card information is necessary for proper management of the state's food fish and game fish species and shellfish resources. Catch record card administration shall be under rules adopted by the commission. There is no charge for an initial catch record card. Each subsequent or duplicate catch record card costs ~~((ten))~~ eleven dollars.

(2) A license to take and possess Dungeness crab is only valid in Puget Sound waters east of the Bonilla-Tatoosh line if the fisher has in possession a valid catch record card officially endorsed for Dungeness crab. The endorsement shall cost no more than ~~((three))~~ seven dollars ~~((including any or all fees authorized under RCW 77.32.050;))~~ and fifty cents when purchased for a personal use saltwater, combination, or shellfish and seaweed license. The endorsement shall cost no more than ~~((one dollar, including any or all fees authorized under RCW 77.32.050;))~~ three dollars when purchased for a temporary combination fishing license authorized under RCW 77.32.470(3)(a).

(3) Catch record cards issued with affixed temporary short-term charter stamp licenses are ~~((not))~~ neither subject to the ten-dollar charge nor to the Dungeness crab endorsement fee provided for in this section. Charter boat or guide operators issuing temporary short-term charter stamp licenses shall affix the stamp to each catch record card issued before fishing commences. Catch record cards issued with a temporary short-term charter stamp are valid for one day.

(4) The department shall include provisions for recording marked and unmarked salmon in catch record cards issued after March 31, 2004.

(5)(a) The funds received from the sale of catch record cards, catch card penalty fees, and the Dungeness crab endorsement must be deposited into the state wildlife account created in RCW 77.12.170. ~~((The funds received from the Dungeness crab endorsement may be used only for the sampling, monitoring, and management of catch associated with the Dungeness crab recreational fisheries. Until June 30, 2011, funds received from the Dungeness crab endorsement may be used for the removal and disposal of derelict shellfish gear either directly by the department or under contract with a third party.))~~ One dollar of the funds received from the sale of each Dungeness crab endorsement must be used for the removal and disposal of derelict shellfish gear either directly by the department or under contract with a third party. The department is required to maintain a separate accounting of these funds and provide an annual report to the commission and the legislature by January 1st of every year. The remaining portion of the funds received from the sale of each Dungeness crab endorsement must be used for education, sampling, monitoring, and management of catch associated with the Dungeness crab recreational fisheries.

(b) Moneys allocated under this section shall supplement and not supplant other federal, state, and local funds used for Dungeness crab recreational fisheries management.

Sec. 10. RCW 77.32.450 and 2005 c 140 s 1 are each amended to read as follows:

(1) A big game hunting license is required to hunt for big game. A big game license allows the holder to hunt for forest grouse, unclassified wildlife, and the individual species identified within a specific big game combination license package. Each big game license includes one transport tag for each species purchased in that package. A hunter may not purchase more than one license for each big game species except as authorized by rule of the commission. The fees for annual big game combination packages are as follows:

(a) Big game number 1: Deer, elk, bear, and cougar. The fee for this license is ~~((sixty-six))~~ eighty-five dollars for residents, ~~((six hundred sixty))~~ seven hundred eighty dollars for nonresidents, and ~~((thirty-three))~~ forty dollars for youth.

(b) Big game number 2: Deer and elk. The fee for this license is ~~((fifty-six))~~ seventy-five dollars for residents, ~~((five hundred sixty))~~ six hundred seventy dollars for nonresidents, and ~~((twenty-eight))~~ thirty-five dollars for youth.

~~(c) Big game number 3: ((Deer or elk, bear, and cougar. At the time of purchase, the holder must identify either deer or elk. The fee for this license is forty-six dollars for residents, four hundred sixty dollars for nonresidents, and twenty-three dollars for youth.~~

~~(d) Big game number 4:))~~ Deer ~~((or elk. At the time of purchase, the holder must identify either deer or elk)).~~ The fee for this license is ~~((thirty-six))~~ thirty-nine dollars for residents, three hundred ~~((sixty))~~ ninety-three dollars for nonresidents, and eighteen dollars for youth.

~~((e))~~ (d) Big game number 4: Elk. The fee for this license is forty-four dollars for residents, four hundred fifty dollars for nonresidents, and eighteen dollars for youth.

(e) Big game number 5: Bear ((and cougar)). The fee for this license is twenty dollars for residents, two hundred dollars for nonresidents, and ten dollars for youth.

(f) Big game number 6: Cougar. The fee for this license is twenty dollars for residents, two hundred dollars for nonresidents, and ten dollars for youth.

(2) In the event that the commission authorizes a two animal big game limit, the fees for the second animal are as follows:

(a) Elk: The fee is ~~((twenty))~~ sixty dollars for residents, ~~((two hundred))~~ three hundred fifty dollars for nonresidents, and ~~((ten))~~ twenty dollars for youth.

(b) Deer: The fee is ~~((twenty))~~ sixty dollars for residents, two hundred fifty dollars for nonresidents, and ~~((ten))~~ twenty dollars for youth.

~~((c) Bear: The fee is ten dollars for residents, one hundred dollars for nonresidents, and five dollars for youth.~~

~~(d) Cougar: The fee is ten dollars for residents, one hundred dollars for nonresidents, and five dollars for youth.)~~

(3) In the event that the commission authorizes a special permit hunt for goat, sheep, ~~((or))~~ moose, or other big game species not specified the permit fees are ~~((as follows:~~

~~(a) Mountain goat: The fee is one~~) three hundred dollars for residents, one thousand five hundred dollars for nonresidents, and fifty dollars for youth.

~~((b) Sheep: The fee is one hundred dollars for residents, one thousand dollars for nonresidents, and fifty dollars for youth.~~

~~(c) Moose: The fee is one hundred dollars for residents, one thousand dollars for nonresidents, and fifty dollars for youth.)~~

(4) Multiple season big game permit: The commission may, by rule, offer permits for hunters to hunt deer or elk during more than one general season. Only one deer or elk may be harvested annually under a multiple season big game permit. The fee is one hundred ~~((fifty))~~ sixty-five dollars ~~((for residents and one thousand five hundred dollars for nonresidents)).~~

(5) Authorization to hunt the species set out under subsection (3)~~((a) through (c))~~ of this section ~~((or in multiple seasons as set out in subsection (4) of this section))~~ is by special permit issued under RCW 77.32.370.

~~((6) The commission may adopt rules to reduce the price of a license or eliminate the transportation tag requirements concerning bear or cougar when necessary to meet harvest objectives.)~~

Sec. 11. RCW 77.32.460 and 2006 c 15 s 1 are each amended to read as follows:

(1) A small game hunting license is required to hunt for all classified wild animals and wild birds, except big game. A small game license also allows the holder to hunt for unclassified wildlife.

(a) The fee for this license is thirty-five dollars for residents, one hundred ~~((fifty))~~ sixty-five dollars for nonresidents, and fifteen dollars for youth.

(b) The fee for this license if purchased ~~((in conjunction with))~~ at the same time as a big game combination license package is ~~((sixteen))~~ twenty dollars for residents, eighty-eight dollars for nonresidents, and eight dollars for youth.

(c) The fee for a three-consecutive-day small game license is ~~((fifty))~~ sixty dollars for nonresidents.

(2) In addition to a small game license, a turkey tag is required to hunt for turkey.

(a) The fee for a primary turkey tag is fourteen dollars for residents and forty dollars for nonresidents. A primary turkey tag will, on request, be issued to the purchaser of a youth small game license at no charge.

(b) The fee for each additional turkey tag is fourteen dollars for residents, sixty dollars for nonresidents, and ~~((nine))~~ ten dollars for youth.

(c) All moneys received from turkey tags must be deposited in the state wildlife account. One-third of the moneys received from turkey tags must be appropriated solely for the purposes of turkey management. An additional one-third of the moneys received from turkey tags must be appropriated solely for upland game bird management. Moneys received from turkey tags may not supplant existing funds provided for these purposes.

Sec. 12. RCW 77.32.470 and 2009 c 333 s 6 are each amended to read as follows:

(1) A personal use saltwater, freshwater, combination, temporary, or family fishing weekend license is required for all persons fifteen years of age or older to fish for or possess fish taken for personal use from state waters or offshore waters.

(2) The fees for annual personal use saltwater, freshwater, or combination licenses are as follows:

(a) A combination license allows the holder to fish for or possess fish, shellfish, and seaweed from state waters or offshore waters. The fee for this license is ~~((thirty-six))~~ forty-five dollars for residents, ~~((seventy-two))~~ one hundred eight dollars for nonresidents, and five dollars for youth. There is an additional fifty-cent surcharge for this license, to be deposited in the rockfish research account created in RCW 77.12.702.

(b) A saltwater license allows the holder to fish for or possess fish taken from saltwater areas. The fee for this license is ~~((eighteen))~~ twenty-five dollars for residents, ~~((thirty-six))~~ fifty-two dollars for nonresidents, and five dollars for resident seniors. There is an additional fifty-cent surcharge for this license, to be deposited in the rockfish research account created in RCW 77.12.702.

(c) A freshwater license allows the holder to fish for, take, or possess food fish or game fish species in all freshwater areas. The fee for this license is twenty-five dollars for residents, ~~((forty))~~ seventy-five dollars for nonresidents, and five dollars for resident seniors.

(3)(a) A temporary combination fishing license is valid for one to ~~((five))~~ three consecutive days and allows the holder to fish for or possess fish, shellfish, and seaweed taken from state waters or offshore waters. The fee for this temporary fishing license is:

(i) One day - ~~((Seven))~~ Eight dollars for residents and ~~((fourteen))~~ sixteen dollars for nonresidents;

(ii) Two days - ~~((Ten))~~ Twelve dollars for residents and twenty-four dollars for nonresidents; and

(iii) Three days - ~~((Thirteen))~~ Fifteen dollars for residents and ~~((twenty-six))~~ thirty dollars for nonresidents;

~~((iv)) Four days — Fifteen dollars for residents and thirty dollars for nonresidents; and~~

~~((v)) Five days — Seventeen dollars for residents and thirty-four dollars for nonresidents)).~~

(b) The fee for a charter stamp is ~~((seven))~~ eight dollars for a one-day temporary combination fishing license for residents and nonresidents for use on a charter boat as defined in RCW 77.65.150.

~~((c)) (A transaction fee to support the automated licensing system will be taken from the amounts set forth in this subsection for temporary licenses.~~

~~((d))~~ Except for active duty military personnel serving in any branch of the United States armed forces, the temporary combination fishing license is not valid on game fish species for an eight-consecutive-day period beginning on the opening day of the lowland lake fishing season as defined by rule of the commission.

~~((e))~~ (d) The temporary combination fishing license fee for active duty military personnel serving in any branch of the United States armed forces is the resident rate as set forth in (a) of this subsection. Active duty military personnel must provide a valid military identification card at the time of purchase of the temporary license to qualify for the resident rate.

~~((f))~~ (e) There is an additional fifty-cent surcharge on the temporary combination fishing license and the associated charter stamp, to be deposited in the rockfish research account created in RCW 77.12.702.

(4) A family fishing weekend license allows for a maximum of six anglers: One resident and five youth; two residents and four youth; or one resident, one nonresident, and four youth. This license allows the holders to fish for or possess fish taken from state waters or offshore waters. The fee for this license is twenty dollars. This license is only valid during periods as specified by rule of the department.

(5) The commission may adopt rules to create and sell combination licenses for all hunting and fishing activities at or below a fee equal to the total cost of the individual license contained within any combination.

(6) The commission may adopt rules to allow the use of two fishing poles per fishing license holder for use on selected state waters. If authorized by the commission, license holders must purchase a two-pole stamp to use a second pole. The proceeds from the sale of the two-pole stamp must be deposited into the state wildlife account created in RCW 77.12.170 and used for the operation and maintenance of state-owned fish hatcheries. The fee for a two-pole stamp is ~~((twenty))~~ thirteen dollars for residents and nonresidents, and five dollars for ~~((resident))~~ seniors.

Sec. 13. RCW 77.32.520 and 2007 c 336 s 1 are each amended to read as follows:

(1) A personal use shellfish and seaweed license is required for all persons other than residents or nonresidents under fifteen years of age to fish for, take, dig for, or possess seaweed or shellfish, including razor clams, for personal use from state waters or offshore waters including national park beaches.

(2) A razor clam license allows a person to harvest only razor clams for personal use from state waters, including national park beaches.

(3) The fees for annual personal use shellfish and seaweed licenses are:

(a) For a resident fifteen years of age or older, ~~((seven))~~ ten dollars;

(b) For a nonresident fifteen years of age or older, twenty-seven dollars; and

(c) For a senior, five dollars.

(4) The fee for an annual razor clam license is ~~((five))~~ eight dollars ~~((and fifty cents))~~ for residents ~~((and eleven))~~, fifteen dollars for nonresidents, and eight dollars for seniors.

(5) The fee for a three-day razor clam license is ~~((three))~~ five dollars ~~((and fifty cents))~~ for both residents and nonresidents.

(6) A personal use shellfish and seaweed license or razor clam license must be in immediate possession of the licensee and available for inspection while a licensee is harvesting shellfish or seaweed. However, the license does not need to be visible at all times.

Sec. 14. RCW 77.32.580 and 2009 c 420 s 3 are each amended to read as follows:

(1) In addition to a recreational license required under this chapter, a Columbia river salmon and steelhead stamp or endorsement is required in order for any person fifteen years of age or older to fish recreationally for salmon or steelhead in the Columbia river and its tributaries where these fisheries have been authorized by the department. The cost for each stamp or endorsement is seven dollars and fifty cents for residents and nonresidents and six dollars for youth and seniors. The department shall deposit all receipts from stamp or endorsement purchases into the Columbia river recreational salmon and steelhead pilot stamp program account created in RCW 77.12.714.

(2) For the purposes of this section and RCW 77.12.712 and 77.12.714 through 77.12.718, the term "Columbia river" means the Columbia river from a line across the Columbia river between Rocky Point in Washington and Tongue Point in Oregon to the Chief Joseph dam.

Sec. 15. RCW 77.65.020 and 2000 c 107 s 28 are each amended to read as follows:

(1) Unless otherwise provided in this title, a license issued under this chapter is not transferable from the license holder to any other person.

(2) The following restrictions apply to transfers of commercial fishery licenses, salmon delivery licenses, and salmon charter licenses that are transferable between license holders:

(a) The license holder shall surrender the previously issued license to the department.

(b) The department shall complete no more than one transfer of the license in any seven-day period.

(c) The fee to transfer a license from one license holder to another is:

(i) The same as the resident license renewal fee if the license is not limited under chapter 77.70 RCW;

(ii) Three and one-half times the resident renewal fee if the license is not a commercial salmon license and the license is limited under chapter 77.70 RCW;

(iii) Fifty dollars if the license is a commercial salmon license and is limited under chapter 77.70 RCW;

(iv) Five hundred dollars if the license is a Dungeness crab-coastal fishery license; or

(v) If a license is transferred from a resident to a nonresident, an additional fee is assessed that is equal to the difference between the resident and nonresident license fees at the time of transfer, to be paid by the transferee.

(d) In addition to the fees under (c) of this subsection, an application fee of one hundred five dollars applies to all commercial license transfers.

(3) A commercial license that is transferable under this title survives the death of the holder. Though such licenses are not personal property, they shall be treated as analogous to personal property for purposes of inheritance and intestacy. Such licenses are subject to state laws governing wills, trusts, estates, intestate succession, and community property, except that such licenses are exempt from claims of creditors of the estate and tax liens. The surviving spouse, estate, or beneficiary of the estate may apply for a renewal of the license. There is no fee for transfer of a license from a license holder to the license holder's surviving spouse or estate, or to a beneficiary of the estate.

Sec. 16. RCW 77.65.090 and 1994 c 260 s 11 are each amended to read as follows:

This section applies to all commercial fishery licenses, delivery licenses, and charter licenses, except for emergency salmon delivery licenses.

(1) The holder of a license subject to this section may substitute the vessel designated on the license or designate a vessel if none has previously been designated if the license holder:

(a) Surrenders the previously issued license to the department;

(b) Submits to the department an application that identifies the currently designated vessel, the vessel proposed to be designated, and any other information required by the department; and

(c) Pays to the department a fee of thirty-five dollars and an application fee of one hundred five dollars.

(2) Unless the license holder owns all vessels identified on the application described in subsection (1)(b) of this section or unless the vessel is designated on a Dungeness crab-coastal or a Dungeness crab-coastal class B fishery license, the following restrictions apply to changes in vessel designation:

(a) The department shall change the vessel designation on the license no more than four times per calendar year.

(b) The department shall change the vessel designation on the license no more than once in any seven-day period.

Sec. 17. RCW 77.65.110 and 2001 c 105 s 4 are each amended to read as follows:

This section applies to all commercial fishery licenses, charter boat ~~((license(s)))~~ licenses, and delivery licenses.

(1) A person designated as an alternate operator must possess an alternate operator license issued under RCW 77.65.130, and be designated on the license prior to engaging in the activities authorized by the license. The holder of the commercial fishery license, charter boat license, or delivery license may designate up to two alternate operators for the license, except:

(a) Whiting—Puget Sound fishery licensees may not designate alternate operators;

(b) Emergency salmon delivery licensees may not designate alternate operators;

(c) Shrimp pot-Puget Sound fishery licensees may designate no more than one alternate operator at a time; and

(d) Shrimp trawl-Puget Sound fishery licensees may designate no more than one alternate operator at a time.

(2) The fee to change the alternate operator designation is twenty-two dollars in addition to the application fee of one hundred five dollars.

Sec. 18. RCW 77.65.150 and 2007 c 442 s 3 are each amended to read as follows:

(1) The director shall issue the charter licenses and angler permits listed in this section according to the requirements of this title. The licenses and permits and their annual license fees, application fees, and surcharges are:

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License or Permit	Annual Fee (RCW 77.95.090 Surcharge) (RCW 77.12.702 Surcharge)		<u>Application Fee</u>	Governing Section
	Resident	Nonresident		
(a) Nonsalmon charter	\$225 (plus \$35 for RCW 77.12.702 Surcharge)	\$375 (plus \$35 for RCW 77.12.702 Surcharge)	<u>\$ 70</u>	
(b) Salmon charter	\$380 (plus \$100) (plus \$35 for RCW 77.12.702 Surcharge)	\$685 (plus \$100) (plus \$35 for RCW 77.12.702 Surcharge)	<u>\$105</u>	RCW 77.70.050
(c) Salmon angler	\$ 0	\$ 0	<u>\$ 0</u>	RCW 77.70.060
(d) Salmon roe	\$ 95	\$ 95	<u>\$ 70</u>	RCW 77.65.350

(2) A salmon charter license designating a vessel is required to operate a charter boat from which persons may, for a fee, fish for salmon, other food fish, and shellfish. The director may issue a salmon charter license only to a person who meets the qualifications of RCW 77.70.050.

(3) A nonsalmon charter license designating a vessel is required to operate a charter boat from which persons may, for a fee, fish for food fish other than salmon, albacore tuna, and shellfish.

(4)(a) "Charter boat" means a vessel from which persons may, for a fee, fish for food fish or shellfish for personal use in those state waters set forth in (b) of this subsection. "Charter boat" also means a vessel from which persons may, for a fee, fish for food fish or shellfish for personal use in offshore waters or in the waters of other states. The director may specify by rule when a vessel is a "charter boat" within this definition.

(b) A person may not operate a vessel from which persons may, for a fee, fish for food fish or shellfish in Puget Sound, Grays Harbor, Willapa Bay, Pacific Ocean waters, Lake Washington, or the Columbia river below the bridge at Longview unless the vessel is designated on a charter boat license.

(5) A charter boat licensed in Oregon may fish without a Washington charter license under the same rules as Washington charter boat operators in ocean waters within the jurisdiction of Washington state from the southern border of the state of Washington to Leadbetter Point, as long as the Oregon vessel does not take on or discharge passengers for any purpose from any Washington port, the Washington shore, or a dock, landing, or other point in Washington. The provisions of this subsection shall be in effect as long as the state of Oregon has reciprocal laws and regulations.

(6) A salmon charter license under subsection (1)(b) of this section may be renewed if the license holder notifies the department by May 1st of that year that he or she will not participate in the fishery during that calendar year. The license holder must pay the one hundred dollar enhancement surcharge (~~and~~), a thirty-five dollar surcharge to be deposited in the rockfish research account created in RCW 77.12.702, plus a (~~fifteen dollar handling charge~~) one hundred five dollar application fee, in order to be considered a valid renewal and eligible to renew the license the following year.

Sec. 19. RCW 77.65.160 and 2001 c 244 s 1 are each amended to read as follows:

(1) The following commercial salmon fishery licenses are required for the license holder to use the specified gear to fish for salmon in state waters. Only a person who meets the qualifications of RCW 77.70.090 may hold a license listed in this subsection. The licenses and their annual license fees, application fees, and surcharges under RCW 77.95.090 are:

	Fishery License	Resident Fee	Nonresident Fee	Surcharge	Application Fee
(a)	Salmon Gill Net—Grays Harbor-Columbia river	\$380	\$685	plus \$100	<u>\$105</u>
(b)	Salmon Gill Net—Puget Sound	\$380	\$685	plus \$100	<u>\$105</u>
(c)	Salmon Gill Net—Willapa Bay-Columbia river	\$380	\$685	plus \$100	<u>\$105</u>
(d)	Salmon purse seine	\$530	\$985	plus \$100	<u>\$105</u>
(e)	Salmon reef net	\$380	\$685	plus \$100	<u>\$105</u>
(f)	Salmon troll	\$380	\$685	plus \$100	<u>\$105</u>

(2) A license issued under this section authorizes no taking or delivery of salmon or other food fish unless a vessel is designated under RCW 77.65.100.

(3) Holders of commercial salmon fishery licenses may retain incidentally caught food fish other than salmon, subject to rules of the department.

(4) A salmon troll license includes a salmon delivery license.

(5) A salmon gill net license authorizes the taking of salmon only in the geographical area for which the license is issued. The geographical designations in subsection (1) of this section have the following meanings:

(a) "Puget Sound" includes waters of the Strait of Juan de Fuca, Georgia Strait, Puget Sound and all bays, inlets, canals, coves, sounds, and estuaries lying easterly and southerly of the international boundary line and a line at the entrance to the Strait of Juan de Fuca projected northerly from Cape Flattery to the lighthouse on Tatoosh Island and then to Bonilla Point on Vancouver Island.

(b) "Grays Harbor-Columbia river" includes waters of Grays Harbor and tributary estuaries lying easterly of a line projected northerly from Point Chehalis Light to Point Brown and those waters of the Columbia river and tributary sloughs and estuaries easterly of a line at the entrance to the Columbia river projected southerly from the most westerly point of the North jetty to the most westerly point of the South jetty.

(c) "Willapa Bay-Columbia river" includes waters of Willapa Bay and tributary estuaries and easterly of a line projected northerly from Leadbetter Point to the Cape Shoalwater tower and those waters of the Columbia river and tributary sloughs described in (b) of this subsection.

(6) A commercial salmon troll fishery license may be renewed under this section if the license holder notifies the department by May 1st of that year that he or she will not participate in the fishery during that calendar year. A commercial salmon gill net, reef net, or seine fishery license may be renewed under this section if the license holder notifies the department before the third Monday in September of that year that he or she will not participate in the

fishery during that calendar year. The license holder must pay the one hundred dollar enhancement surcharge, plus a (~~fifteen-dollar handling charge~~) one hundred five dollar application fee before the third Monday in September, in order to be considered a valid renewal and eligible to renew the license the following year.

(7) Notwithstanding the annual license fees and surcharges established in subsection (1) of this section, a person who holds a resident commercial salmon fishery license shall pay an annual license fee of one hundred dollars plus the surcharge and application fee if all of the following conditions are met:

- (a) The license holder is at least seventy-five years of age;
- (b) The license holder owns a fishing vessel and has fished with a resident commercial salmon fishery license for at least thirty years; and
- (c) The commercial salmon fishery license is for a geographical area other than the Puget Sound.

An alternate operator may not be designated for a license renewed at the one hundred dollar annual fee under this subsection (7).

Sec. 20. RCW 77.65.170 and 2005 c 20 s 2 are each amended to read as follows:

(1) A salmon delivery license is required for a commercial fishing vessel to deliver salmon taken for commercial purposes in offshore waters to a place or port in the state. As used in this section, "deliver" and "delivery" mean arrival at a place or port, and include arrivals from offshore waters to waters within the state and arrivals ashore from offshore waters. The annual fee for a salmon delivery license is three hundred eighty dollars for residents and six hundred eighty-five dollars for nonresidents. The application fee for a salmon delivery license is one hundred five dollars. The annual surcharge under RCW 77.95.090 is one hundred dollars for each license. Holders of nonlimited entry delivery licenses issued under RCW 77.65.210 may apply the nonlimited entry delivery license fee against the salmon delivery license fee.

(2) Only a person who meets the qualifications established in RCW 77.70.090 may hold a salmon delivery license issued under this section.

(3) A salmon delivery license authorizes no taking of salmon or other food fish or shellfish from the waters of the state.

(4) If the director determines that the operation of a vessel under a salmon delivery license results in the depletion or destruction of the state's salmon resource or the delivery into this state of salmon products prohibited by law, the director may revoke the license under the procedures of chapter 34.05 RCW.

Sec. 21. RCW 77.65.190 and 2005 c 20 s 3 are each amended to read as follows:

A person who does not qualify for a license under RCW 77.70.090 shall obtain a nontransferable emergency salmon delivery license to make one delivery from a commercial fishing vessel of salmon taken for commercial purposes in offshore waters. As used in this section, "delivery" means arrival at a place or port, and include arrivals from offshore waters to waters within the state and arrivals ashore from offshore waters. The director shall not issue an emergency salmon delivery license unless, as determined by the director, a bona fide emergency exists. The license fee is two hundred twenty-five dollars for residents and four hundred seventy-five dollars for nonresidents. The

application fee is one hundred five dollars. An applicant for an emergency salmon delivery license shall designate no more than one vessel that will be used with the license. Alternate operator licenses are not required of persons delivering salmon under an emergency salmon delivery license. Emergency salmon delivery licenses are not renewable.

Sec. 22. RCW 77.65.200 and 2009 c 331 s 4 are each amended to read as follows:

(1) This section establishes commercial fishery licenses required for food fish fisheries and the annual fees for those licenses. As used in this section, "food fish" does not include salmon. The director may issue a limited-entry commercial fishery license only to a person who meets the qualifications established in applicable governing sections of this title.

Fishery (Governing section(s))	Annual Fee		<u>Application Fee</u>	Vessel Required?	Limited Entry?
	Resident	Nonresident			
(a) Baitfish Lampara	\$185	\$295	<u>\$ 70</u>	Yes	No
(b) Baitfish purse seine	\$530	\$985	<u>\$ 70</u>	Yes	No
(c) Bottom fish jig	\$130	\$185	<u>\$ 70</u>	Yes	No
(d) Bottom fish pot	\$130	\$185	<u>\$ 70</u>	Yes	No
(e) Bottom fish troll	\$130	\$185	<u>\$ 70</u>	Yes	No
(f) Carp	\$130	\$185	<u>\$ 70</u>	No	No
(g) Columbia river smelt	\$380	\$685	<u>\$ 70</u>	No	No
(h) Dog fish set net	\$130	\$185	<u>\$ 70</u>	Yes	No
(i) Emerging commercial fishery (RCW 77.70.160 and 77.65.400)	\$185	\$295	<u>\$ 105</u>	Determined by rule	Determined by rule
(j) Food fish drag seine	\$130	\$185	<u>\$ 70</u>	Yes	No
(k) Food fish set line	\$130	\$185	<u>\$ 70</u>	Yes	No
(l) Food fish trawl- Non-Puget Sound	\$240	\$405	<u>\$ 70</u>	Yes	No
(m) Food fish trawl- Puget Sound	\$185	\$295	<u>\$ 70</u>	Yes	No
(n) Herring dip bag net (RCW 77.70.120)	\$175	\$275	<u>\$ 70</u>	Yes	Yes
(o) Herring drag seine (RCW 77.70.120)	\$175	\$275	<u>\$ 70</u>	Yes	Yes
(p) Herring gill net (RCW 77.70.120)	\$175	\$275	<u>\$ 105</u>	Yes	Yes
(q) Herring Lampara (RCW 77.70.120)	\$175	\$275	<u>\$ 70</u>	Yes	Yes
(r) Herring purse seine (RCW 77.70.120)	\$175	\$275	<u>\$ 105</u>	Yes	Yes
(s) Herring spawn-on- kelp (RCW 77.70.210)	N/A	N/A	<u>N/A</u>	Yes	Yes
(t) Sardine purse seine (RCW 77.70.480)	\$185	\$295	<u>\$ 105</u>	Yes	Yes

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(u) Sardine purse seine temporary (RCW 77.70.480)	\$185	\$295	<u>\$ 105</u>	Yes	No
(v) Smelt dip bag net	\$130	\$185	<u>\$ 70</u>	No	No
(w) Smelt gill net	\$380	\$685	<u>\$ 70</u>	Yes	No
(x) Whiting-Puget Sound (RCW 77.70.130)	\$295	\$520	<u>\$ 105</u>	Yes	Yes

(2) The director may by rule determine the species of food fish that may be taken with the commercial fishery licenses established in this section, the gear that may be used with the licenses, and the areas or waters in which the licenses may be used. Where a fishery license has been established for a particular species, gear, geographical area, or combination thereof, a more general fishery license may not be used to take food fish in that fishery.

Sec. 23. RCW 77.65.210 and 2007 c 442 s 4 are each amended to read as follows:

(1) Except as provided in subsection (2) of this section, a person may not use a commercial fishing vessel to deliver food fish or shellfish taken for commercial purposes in offshore waters to a port in the state without a nonlimited entry delivery license. As used in this section, "deliver" and "delivery" mean arrival at a place or port, and include arrivals from offshore waters to waters within the state and arrivals ashore from offshore waters. As used in this section, "food fish" does not include salmon. As used in this section, "shellfish" does not include ocean pink shrimp, coastal crab, or fish or shellfish taken under an emerging commercial fisheries license if taken from off-shore waters. The annual license fee for a nonlimited entry delivery license is one hundred ten dollars for residents and two hundred dollars for nonresidents, and an additional thirty-five dollar surcharge for both residents and nonresidents to be deposited in the rockfish research account created in RCW 77.12.702. The application fee for a nonlimited entry delivery license is one hundred five dollars.

(2) Holders of salmon troll fishery licenses issued under RCW 77.65.160, salmon delivery licenses issued under RCW 77.65.170, crab pot fishery licenses issued under RCW 77.65.220, food fish trawl—Non-Puget Sound fishery licenses, and emerging commercial fishery licenses issued under RCW 77.65.200, Dungeness crab—coastal fishery licenses, ocean pink shrimp delivery licenses, shrimp trawl—Non-Puget Sound fishery licenses, and emerging commercial fishery licenses issued under RCW 77.65.220 may deliver food fish or shellfish taken in offshore waters without a nonlimited entry delivery license.

(3) A nonlimited entry delivery license authorizes no taking of food fish or shellfish from state waters.

Sec. 24. RCW 77.65.220 and 2000 c 107 s 43 are each amended to read as follows:

(1) This section establishes commercial fishery licenses required for shellfish fisheries and the annual fees for those licenses. The director may issue a limited-entry commercial fishery license only to a person who meets the qualifications established in applicable governing sections of this title.

Fishery (Governing section(s))	Annual Fee		Application Fee	Vessel Required?	Limited Entry?
	Resident	Nonresident			
(a) Burrowing shrimp	\$185	\$295	<u>\$ 105</u>	Yes	No
(b) Crab ring net- Non-Puget Sound	\$130	\$185	<u>\$ 70</u>	Yes	No
(c) Crab ring net- Puget Sound	\$130	\$185	<u>\$ 70</u>	Yes	No
(d) Dungeness crab- coastal (RCW 77.70.280)	\$295	\$520	<u>\$ 105</u>	Yes	Yes
(e) Dungeness crab- coastal, class B (RCW 77.70.280)	\$295	\$520	<u>\$ 105</u>	Yes	Yes
(f) Dungeness crab- Puget Sound (RCW 77.70.110)	\$130	\$185	<u>\$ 105</u>	Yes	Yes
(g) Emerging commercial fishery (RCW 77.70.160 and 77.65.400)	\$185	\$295	<u>\$ 105</u>	Determined by rule	Determined by rule
(h) Geoduck (RCW 77.70.220)	\$ 0	\$ 0	<u>\$ 70</u>	Yes	Yes
(i) Hardshell clam mechanical harvester (RCW 77.65.250)	\$530	\$985	<u>\$ 70</u>	Yes	No
(j) Oyster reserve (RCW 77.65.260)	\$130	\$185	<u>\$ 70</u>	No	No
(k) Razor clam	\$130	\$185	<u>\$ 105</u>	No	No
(l) Sea cucumber dive (RCW 77.70.190)	\$130	\$185	<u>\$ 105</u>	Yes	Yes
(m) Sea urchin dive (RCW 77.70.150)	\$130	\$185	<u>\$105</u>	Yes	Yes
(n) Shellfish dive	\$130	\$185	<u>\$ 70</u>	Yes	No
(o) Shellfish pot	\$130	\$185	<u>\$ 70</u>	Yes	No
(p) Shrimp pot- Puget Sound (RCW 77.70.410)	\$185	\$295	<u>\$ 105</u>	Yes	Yes
(q) Shrimp trawl- Non-Puget Sound	\$240	\$405	<u>\$ 105</u>	Yes	No
(r) Shrimp trawl- Puget Sound (RCW 77.70.420)	\$185	\$295	<u>\$105</u>	Yes	Yes
(s) Squid	\$185	\$295	<u>\$70</u>	Yes	No

(2) The director may by rule determine the species of shellfish that may be taken with the commercial fishery licenses established in this section, the gear that may be used with the licenses, and the areas or waters in which the licenses may be used. Where a fishery license has been established for a particular species, gear, geographical area, or combination thereof, a more general fishery license may not be used to take shellfish in that fishery.

Sec. 25. RCW 77.65.280 and 2002 c 301 s 5 are each amended to read as follows:

A wholesale fish dealer's license is required for:

(1) A business in the state to engage in the commercial processing of food fish or shellfish, including custom canning or processing of personal use food fish or shellfish.

(2) A business in the state to engage in the wholesale selling, buying, or brokering of food fish or shellfish. A wholesale fish dealer's license is not required of those businesses which buy exclusively from Washington licensed wholesale dealers and sell solely at retail.

(3) Fishermen who land and sell their catch or harvest in the state to anyone other than a licensed wholesale dealer within or outside the state, unless the fisher has a direct retail endorsement.

(4) A business to engage in the commercial manufacture or preparation of fertilizer, oil, meal, caviar, fish bait, or other by-products from food fish or shellfish.

(5) A business employing a fish buyer as defined under RCW 77.65.340.

The annual license fee for a wholesale dealer is two hundred fifty dollars. The application fee is one hundred five dollars. A wholesale fish dealer's license is not required for persons engaged in the processing, wholesale selling, buying, or brokering of private sector cultured aquatic products as defined in RCW 15.85.020. However, if a means of identifying such products is required by rules adopted under RCW 15.85.060, the exemption from licensing requirements established by this subsection applies only if the aquatic products are identified in conformance with those rules.

Sec. 26. RCW 77.65.340 and 2000 c 107 s 50 are each amended to read as follows:

(1) A fish buyer's license is required of and shall be carried by each individual engaged by a wholesale fish dealer to purchase food fish or shellfish from a licensed commercial fisherman. A fish buyer may represent only one wholesale fish dealer.

(2) The annual fee for a fish buyer's license is ninety-five dollars. The application fee is one hundred five dollars.

Sec. 27. RCW 77.65.390 and 2005 c 20 s 5 are each amended to read as follows:

An ocean pink shrimp delivery license is required for a commercial fishing vessel to deliver ocean pink shrimp taken for commercial purposes in offshore waters and delivered to a port in the state. As used in this section, "deliver" and "delivery" mean arrival at a place or port, and include arrivals from offshore waters to waters within the state and arrivals from state or offshore waters. The annual license fee is one hundred fifty dollars for residents and three hundred dollars for nonresidents. The application fee is one hundred five dollars. Ocean pink shrimp delivery licenses are transferable.

Sec. 28. RCW 77.65.440 and 2009 c 333 s 9 are each amended to read as follows:

The director shall issue the personal licenses listed in this section according to the requirements of this title. The licenses and their annual fees are:

Personal License	Annual Fee		<u>Application</u> Fee	Governing Section
	(RCW 77.95. Surcharge)			
	Resident	Nonresident		
(1) Alternate Operator	\$ 35	\$ 35	\$ 70	RCW 77.65.130
(2) Geoduck Diver	\$185	\$295	\$ 70	RCW 77.65.410
(3) Food Fish Guide	\$130 (plus \$20)	\$630 (plus \$100)	\$ 70	RCW 77.65.370

Sec. 29. RCW 77.65.450 and 1991 sp.s. c 7 s 3 are each amended to read as follows:

A state trapping license allows the holder to trap fur-bearing animals throughout the state(§). However, a trapper may not place traps on private property without permission of the owner, lessee, or tenant where the land is improved and apparently used, or where the land is fenced or enclosed in a manner designed to exclude intruders or to indicate a property boundary line, or where notice is given by posting in a conspicuous manner. A state trapping license is void on April 1st following the date of issuance. The fee for this license is thirty-six dollars for residents sixteen years of age or older, fifteen dollars for residents under sixteen years of age, and one hundred eighty dollars for nonresidents. The application fee is one hundred five dollars.

Sec. 30. RCW 77.65.480 and 2009 c 333 s 11 are each amended to read as follows:

(1) A taxidermy license allows the holder to practice taxidermy for commercial purposes, as that term is defined in RCW 77.15.110. The fee for this license is one hundred eighty dollars. The application fee is seventy dollars.

(2) A fur dealer's license allows the holder to purchase, receive, or resell raw furs for commercial purposes, as that term is defined in RCW 77.15.110. The fee for this license is one hundred eighty dollars. The application fee is seventy dollars.

(3) A game fish guide license allows the holder to offer or perform the services of a game fish guide in the taking of game fish. The fee for this license is one hundred eighty dollars for a resident and six hundred dollars for a nonresident. The application fee is seventy dollars.

(4) A game farm license allows the holder to operate a game farm to acquire, breed, grow, keep, and sell wildlife under conditions prescribed by the rules adopted pursuant to this title. The fee for this license is seventy-two dollars for the first year and forty-eight dollars for each following year. The application fee is seventy dollars.

(5) A game fish stocking permit allows the holder to release game fish into the waters of the state as prescribed by rule of the commission. The fee for this permit is twenty-four dollars. The application fee is seventy dollars.

(6) A fishing or field trial permit allows the holder to promote, conduct, hold, or sponsor a fishing or field trial contest in accordance with rules of the commission. The fee for a fishing contest permit is twenty-four dollars. The fee for a field trial contest permit is twenty-four dollars. The application fee is seventy dollars.

(7)(a) An anadromous game fish buyer's license allows the holder to purchase or sell steelhead trout and other anadromous game fish harvested by Indian fishers lawfully exercising fishing rights reserved by federal statute,

treaty, or executive order, under conditions prescribed by rule of the director. The fee for this license is one hundred eighty dollars. The application fee is one hundred five dollars.

(b) An anadromous game fish buyer's license is not required for those businesses that buy steelhead trout and other anadromous game fish from Washington licensed game fish dealers and sell solely at retail.

Sec. 31. RCW 77.65.510 and 2009 c 195 s 1 are each amended to read as follows:

(1) The department must establish and administer a direct retail endorsement to serve as a single license that permits a Washington license holder or alternate operator to commercially harvest retail-eligible species and to clean, dress, and sell his or her catch directly to consumers at retail, including over the internet. The direct retail endorsement must be issued as an optional addition to all holders of: (a) A commercial fishing license for retail-eligible species that the department offers under this chapter; and (b) an alternate operator license who are designated as an alternate operator on a commercial fishing license for retail eligible species.

(2) The direct retail endorsement must be offered at the time of application for the qualifying commercial fishing license. Individuals in possession of a qualifying commercial fishing license issued under this chapter, and alternate operators designated on such a license, may add a direct retail endorsement to their current license at any time. Individuals who do not have a commercial fishing license for retail-eligible species issued under this chapter, and who are not designated as alternate operators on such a license, may not receive a direct retail endorsement. The costs, conditions, responsibilities, and privileges associated with the endorsed commercial fishing license is not affected or altered in any way by the addition of a direct retail endorsement. These costs include the base cost of the license and any revenue and excise taxes.

(3) An individual need only add one direct retail endorsement to his or her license portfolio. If a direct retail endorsement is selected by an individual holding more than one commercial fishing license issued under this chapter, a single direct retail endorsement is considered to be added to all qualifying commercial fishing licenses held by that individual, and is the only license required for the individual to sell at retail any retail-eligible species permitted by all of the underlying endorsed licenses. If a direct retail endorsement is selected by an individual designated as an alternate operator on more than one commercial license issued under this chapter, a single direct retail endorsement is the only license required for the individual to sell at retail any retail-eligible species permitted by all of the underlying endorsed licenses on which the individual is designated as an alternate operator. The direct retail endorsement applies only to the Washington license holder or alternate operator obtaining the endorsement.

(4) In addition to any fees charged for the endorsed licenses and harvest documentation as required by this chapter or the rules of the department, the department may set a reasonable annual fee not to exceed the administrative costs to the department for a direct retail endorsement. The application fee is one hundred five dollars.

(5) The holder of a direct retail endorsement is responsible for documenting the commercial harvest of salmon and crab according to the provisions of this

chapter, the rules of the department for a wholesale fish dealer, and the reporting requirements of the endorsed license. Any retail-eligible species caught by the holder of a direct retail endorsement must be documented on fish tickets.

(6) The direct retail endorsement must be displayed in a readily visible manner by the seller wherever and whenever a sale to someone other than a licensed wholesale dealer occurs. The commission may require that the holder of a direct retail endorsement notify the department up to eighteen hours before conducting an in-person sale of retail-eligible species, except for in-person sales that have a cumulative retail sales value of less than one hundred fifty dollars in a twenty-four hour period that are sold directly from the vessel. For sales occurring in a venue other than in person, such as over the internet, through a catalog, or on the phone, the direct retail endorsement number of the seller must be provided to the buyer both at the time of sale and the time of delivery. All internet sales must be conducted in accordance with federal laws and regulations.

(7) The direct retail endorsement is to be held by a natural person and is not transferrable or assignable. If the endorsed license is transferred, the direct retail endorsement immediately becomes void, and the transferor is not eligible for a full or prorated reimbursement of the annual fee paid for the direct retail endorsement. Upon becoming void, the holder of a direct retail endorsement must surrender the physical endorsement to the department.

(8) The holder of a direct retail endorsement must abide by the provisions of Title 69 RCW as they apply to the processing and retail sale of seafood. The department must distribute a pamphlet, provided by the department of agriculture, with the direct retail endorsement generally describing the labeling requirements set forth in chapter 69.04 RCW as they apply to seafood.

(9) The holder of a qualifying commercial fishing license issued under this chapter, or an alternate operator designated on such a license, must either possess a direct retail endorsement or a wholesale dealer license provided for in RCW 77.65.280 in order to lawfully sell their catch or harvest in the state to anyone other than a licensed wholesale dealer.

(10) The direct retail endorsement entitles the holder to sell a retail-eligible species only at a temporary food service establishment as that term is defined in RCW 69.06.045, or directly to a restaurant or other similar food service business.

Sec. 32. RCW 77.70.080 and 2000 c 107 s 62 are each amended to read as follows:

(1) The total number of anglers authorized by the director shall not exceed the total number authorized for 1980.

(2) Angler permits issued under RCW 77.70.060 are transferable. All or a portion of the permit may be transferred to another salmon charter license holder.

(3) The angler permit holder and proposed transferee shall notify the department when transferring an angler permit, and the director shall issue a new angler permit certificate. If the original permit holder retains a portion of the permit, the director shall issue a new angler permit certificate reflecting the decrease in angler capacity.

(4) The department shall collect a fee of ten dollars for each certificate issued under subsection (3) of this section, plus an application fee of one hundred five dollars.

Sec. 33. RCW 77.70.190 and 2010 c 193 s 15 are each amended to read as follows:

(1) A sea cucumber dive fishery license is required to take sea cucumbers for commercial purposes. A sea cucumber dive fishery license authorizes the use of only one diver in the water at any time during sea cucumber harvest operations. If the same vessel has been designated on two sea cucumber dive fishery licenses, two divers may be in the water. A natural person may not hold more than two sea cucumber dive fishery licenses.

(2) Except as provided in subsection (6) of this section, the director shall issue no new sea cucumber dive fishery licenses. For licenses issued for the year 2000 and thereafter, the director shall renew existing licenses only to a natural person who held the license at the end of the previous year. If a sea cucumber dive fishery license is not held by a natural person as of December 31, 1999, it is not renewable. However, if the license is not held because of revocation or suspension of licensing privileges, the director shall renew the license in the name of a natural person at the end of the revocation or suspension if the license holder applies for renewal of the license before the end of the year in which the revocation or suspension ends.

(3) Where a licensee failed to obtain the license during either of the previous two years because of a license suspension by the director or the court, the licensee may qualify for a license by establishing that the person held such a license during the last year in which the person was eligible.

(4) Surcharges as provided for in this section shall be collected and deposited into the sea cucumber dive fishery account hereby created in the custody of the state treasurer. The collections and deposits must continue, as set forth in (a) and (b) of this subsection, through license year 2013, or until the number of licenses is reduced to twenty, whichever occurs first. Only the director or the director's designee may authorize expenditures from the account. The sea cucumber dive fishery account is subject to allotment procedures under chapter 43.88 RCW, but no appropriation is required for expenditures. Expenditures from the account shall only be used to retire sea cucumber licenses until the number of licenses is reduced to twenty, and thereafter shall only be used for sea cucumber management and enforcement. The director or the director's designee shall notify the department of revenue within thirty days when the number of licenses is reduced to twenty.

(a) A surcharge of one hundred dollars shall be charged with each sea cucumber dive fishery license renewal for licenses issued in 2000 through 2013, or until the number of licenses is reduced to twenty, whichever occurs first.

(b) For licenses issued for license years 2000 through 2013, or until the number of licenses is reduced to twenty, whichever occurs first, a surcharge shall be charged on the sea cucumber dive fishery license for designating an alternate operator. The surcharge shall be as follows: Five hundred dollars for the first year or each of the first two consecutive years after 1999 that any alternate operator is designated and two thousand five hundred dollars each year thereafter that any alternate operator is designated.

(5) Sea cucumber dive fishery licenses are transferable. For licenses issued for license years 2000 through 2013, or whenever the number of licenses is reduced to twenty, whichever occurs first, there is a surcharge to transfer a sea cucumber dive fishery license. The surcharge is five hundred dollars for the first transfer of a license valid for license year 2000 and two thousand five hundred dollars for any subsequent transfer, occurring in the license years 2000 through 2013, or whenever the number of licenses is reduced to twenty, whichever occurs first. The application fee to transfer a sea cucumber dive fishery license is one hundred five dollars. Notwithstanding this subsection, a one-time transfer exempt from surcharge applies for a transfer from the natural person licensed on January 1, 2000, to that person's spouse or child.

(6) If fewer than twenty persons are eligible for sea cucumber dive fishery licenses, the director may accept applications for new licenses. The additional licenses may not cause more than twenty natural persons to be eligible for a sea cucumber dive fishery license. New licenses issued under this section shall be distributed according to rules of the department that recover the value of such licensed privilege.

Sec. 34. RCW 77.70.220 and 2000 c 107 s 71 are each amended to read as follows:

(1) A person shall not harvest geoduck clams commercially without a geoduck fishery license. This section does not apply to the harvest of private sector cultured aquatic products as defined in RCW 15.85.020. The application fee is seventy dollars.

(2) Only a person who has entered into a geoduck harvesting agreement with the department of natural resources under RCW (~~79.96.080~~) 79.135.210 may hold a geoduck fishery license.

(3) A geoduck fishery license authorizes no taking of geoducks outside the boundaries of the public lands designated in the underlying harvesting agreement, or beyond the harvest ceiling set in the underlying harvesting agreement.

(4) A geoduck fishery license expires when the underlying geoduck harvesting agreement terminates.

(5) The director shall determine the number of geoduck fishery licenses that may be issued for each geoduck harvesting agreement, the number of units of gear whose use the license authorizes, and the type of gear that may be used, subject to RCW 77.60.070. In making those determinations, the director shall seek to conserve the geoduck resource and prevent damage to its habitat.

(6) The holder of a geoduck fishery license and the holder's agents and representatives shall comply with all applicable commercial diving safety regulations adopted by the federal occupational safety and health administration established under the federal occupational safety and health act of 1970 as such law exists on May 8, 1979, 84 Stat. 1590 et seq.; 29 U.S.C. Sec. 651 et seq. A violation of those regulations is a violation of this subsection. For the purposes of this section, persons who dive for geoducks are "employees" as defined by the federal occupational safety and health act. A violation of this subsection is grounds for suspension or revocation of a geoduck fishery license following a hearing under the procedures of chapter 34.05 RCW. The director shall not suspend or revoke a geoduck fishery license if the violation has been corrected within ten days of the date the license holder receives written notice of the

violation. If there is a substantial probability that a violation of the commercial diving standards could result in death or serious physical harm to a person engaged in harvesting geoduck clams, the director shall suspend the license immediately until the violation has been corrected. If the license holder is not the operator of the harvest vessel and has contracted with another person for the harvesting of geoducks, the director shall not suspend or revoke the license if the license holder terminates its business relationship with that person until compliance with this subsection is secured.

(7) A person using a vessel in the geoduck fishery is required to apply for and obtain a vessel identification number from the department. The application fee for the vessel identification number is one hundred five dollars.

Sec. 35. RCW 77.70.260 and 2000 c 107 s 74 are each amended to read as follows:

The owner of an ocean pink shrimp fishing vessel that does not qualify for an ocean pink shrimp delivery license issued under RCW 77.65.390 shall obtain an ocean pink shrimp single delivery license in order to make a landing into a state port of ocean pink shrimp taken in offshore waters. The director shall not issue an ocean pink shrimp single delivery license unless, as determined by the director, a bona fide emergency exists. A maximum of six ocean pink shrimp single delivery licenses may be issued annually to any vessel. The fee for an ocean pink shrimp single delivery license is one hundred dollars. The application fee is one hundred five dollars.

Sec. 36. RCW 77.70.490 and 2009 c 331 s 3 are each amended to read as follows:

(1) A Washington Pacific sardine purse seine fishery license:

(a) May only be issued to a person that held a coastal pilchard experimental fishery permit in 2008, except as otherwise provided in this section;

(b) Must be renewed annually to remain active; and

(c) Subject to the restrictions of subsections (6) and (7) of this section and RCW 77.65.040, is transferable.

(2) A Washington Pacific sardine purse seine fishery license may be issued to any person that held a coastal pilchard experimental fishery permit in 2005, 2006, or 2007 and is precluded from qualifying under subsection (1) of this section because the vessel designated on the permit sank prior to 2008.

(3) Beginning in 2010, after taking into consideration the status of the Pacific sardine population, the impact of removal of sardines and other forage fish to the marine ecosystem, including the effect on endangered marine species, and the market for Pacific sardines in the state, the director may issue:

(a) A Washington Pacific sardine purse seine fishery license to any person provided that the issuance would not raise the number of licenses beyond the number initially issued in 2009;

(b) A Washington Pacific sardine purse seine temporary annual fishery permit to any person if the combined number of active Washington Pacific sardine purse seine fishery licenses and annual temporary permits already issued during the year is less than twenty-five.

(4) The annual fee for a Washington Pacific sardine purse seine fishery license is one hundred eighty-five dollars for residents and two hundred ninety-five dollars for nonresidents. The application fee is one hundred five dollars.

(5) The fee for a Washington Pacific sardine purse seine temporary annual fishery permit is one hundred eighty-five dollars for residents and two hundred ninety-five dollars for nonresidents. The application fee is one hundred five dollars. A temporary annual fishery permit expires at the end of the calendar year in which the permit is issued.

(6) Only a person who owns or operates the vessel designated on the license or permit may hold a Washington Pacific sardine purse seine fishery license or temporary annual fishery permit.

(7) A person may not own or hold an ownership interest in more than two Washington Pacific sardine purse seine fishery licenses.

(8) The director shall adopt rules that require a person fishing under a Washington Pacific sardine purse seine fishery license or a temporary annual permit to minimize bycatch, and to the extent bycatch cannot be avoided, to minimize the mortality of such bycatch.

Sec. 37. RCW 77.115.040 and 2007 c 216 s 6 are each amended to read as follows:

(1) All aquatic farmers, as defined in RCW 15.85.020, shall register with the department. The application fee is one hundred five dollars. The director shall assign each aquatic farm a unique registration number and develop and maintain in an electronic database a registration list of all aquaculture farms. The department shall establish procedures to annually update the aquatic farmer information contained in the registration list. The department shall coordinate with the department of health using shellfish growing area certification data when updating the registration list.

(2) Registered aquaculture farms shall provide the department with the following information:

- (a) The name of the aquatic farmer;
- (b) The address of the aquatic farmer;
- (c) Contact information such as telephone, fax, web site, and e-mail address, if available;
- (d) The number and location of acres under cultivation, including a map displaying the location of the cultivated acres;
- (e) The name of the landowner of the property being cultivated or otherwise used in the aquatic farming operation;
- (f) The private sector cultured aquatic product being propagated, farmed, or cultivated; and
- (g) Statistical production data.

(3) The state veterinarian shall be provided with registration and statistical data by the department.

NEW SECTION. **Sec. 38.** RCW 77.32.510 (Recreational license fees—Disposition of appropriation) and 1998 c 191 s 43 are each repealed.

NEW SECTION. **Sec. 39.** Sections 1 through 4 and 6 through 38 of this act take effect September 1, 2011.

NEW SECTION. **Sec. 40.** Section 14 of this act expires June 30, 2016.

NEW SECTION. **Sec. 41.** Section 5 of this act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and takes effect June 30, 2011.

Passed by the Senate April 20, 2011.
Passed by the House April 21, 2011.
Approved by the Governor May 12, 2011.
Filed in Office of Secretary of State May 13, 2011.

CHAPTER 340

[Second Substitute Senate Bill 5427]

ALL-DAY KINDERGARTEN—ASSESSMENT

AN ACT Relating to the assessment of students in state-funded full-day kindergarten classrooms; amending RCW 28A.150.315; adding a new section to chapter 28A.655 RCW; and providing an effective date.

Be it enacted by the Legislature of the State of Washington:

Sec. 1. RCW 28A.150.315 and 2010 c 236 s 4 are each amended to read as follows:

(1) Beginning with the 2007-08 school year, funding for voluntary all-day kindergarten programs shall be phased-in beginning with schools with the highest poverty levels, defined as those schools with the highest percentages of students qualifying for free and reduced-price lunch support in the prior school year. During the 2011-2013 biennium, funding shall continue to be phased-in each year until full statewide implementation of all-day kindergarten is achieved in the 2017-18 school year. Once a school receives funding for the all-day kindergarten program, that school shall remain eligible for funding in subsequent school years regardless of changes in the school's percentage of students eligible for free and reduced-price lunches as long as other program requirements are fulfilled. Additionally, schools receiving all-day kindergarten program support shall agree to the following conditions:

- (a) Provide at least a one thousand-hour instructional program;
- (b) Provide a curriculum that offers a rich, varied set of experiences that assist students in:
 - (i) Developing initial skills in the academic areas of reading, mathematics, and writing;
 - (ii) Developing a variety of communication skills;
 - (iii) Providing experiences in science, social studies, arts, health and physical education, and a world language other than English;
 - (iv) Acquiring large and small motor skills;
 - (v) Acquiring social and emotional skills including successful participation in learning activities as an individual and as part of a group; and
 - (vi) Learning through hands-on experiences;
- (c) Establish learning environments that are developmentally appropriate and promote creativity;
- (d) Demonstrate strong connections and communication with early learning community providers; and
- (e) Participate in kindergarten program readiness activities with early learning providers and parents.

(2)(a) In addition to the requirements in subsection (1) of this section and to the extent funds are available, beginning with the 2011-12 school year on a voluntary basis, schools must identify the skills, knowledge, and characteristics of kindergarten students at the beginning of the school year in order to support

social-emotional, physical, and cognitive growth and development of individual children; support early learning provider and parent involvement; and inform instruction. Kindergarten teachers shall administer the Washington kindergarten inventory of developing skills, as directed by the superintendent of public instruction in consultation with the department of early learning, and report the results to the superintendent. The superintendent shall share the results with the director of the department of early learning.

(b) School districts shall provide an opportunity for parents and guardians to excuse their children from participation in the Washington kindergarten inventory of developing skills.

(c) To the extent funds are available, beginning in the 2012-13 school year, the Washington kindergarten inventory of developing skills shall be administered at the beginning of the school year to all students enrolled in state-funded full-day kindergarten programs with the exception of students who have been excused from participation by their parents or guardians.

(d) Until full implementation of state-funded all-day kindergarten, the superintendent of public instruction, in consultation with the director of the department of early learning, may grant annual, renewable waivers from the requirement of (c) of this subsection to administer the Washington kindergarten inventory of developing skills. A school district seeking a waiver for one or more of its schools must submit an application to the office of the superintendent of public instruction that includes:

(i) A description of the kindergarten readiness assessment and transition processes that it proposes to administer instead of the Washington kindergarten inventory of developing skills;

(ii) An explanation of why the administration of the Washington kindergarten inventory of developing skills would be unduly burdensome; and

(iii) An explanation of how administration of the alternative kindergarten readiness assessment will support social-emotional, physical, and cognitive growth and development of individual children; support early learning provider and parent involvement; and inform instruction.

(3) Subject to funds appropriated for this purpose, the superintendent of public instruction shall designate one or more school districts to serve as resources and examples of best practices in designing and operating a high-quality all-day kindergarten program. Designated school districts shall serve as lighthouse programs and provide technical assistance to other school districts in the initial stages of implementing an all-day kindergarten program. Examples of topics addressed by the technical assistance include strategic planning, developing the instructional program and curriculum, working with early learning providers to identify students and communicate with parents, and developing kindergarten program readiness activities.

NEW SECTION. Sec. 2. A new section is added to chapter 28A.655 RCW to read as follows:

Before implementing the Washington kindergarten inventory of developing skills as provided under RCW 28A.150.315, the superintendent of public instruction and the department of early learning must assure that a fairness and bias review of the assessment process has been conducted, including providing an opportunity for input from the achievement gap oversight and accountability committee under RCW 28A.300.136 and from an additional diverse group of

community representatives, parents, and educators to be convened by the superintendent and the director of the department.

NEW SECTION. Sec. 3. Section 1 of this act takes effect September 1, 2011.

Passed by the Senate April 18, 2011.

Passed by the House April 11, 2011.

Approved by the Governor May 12, 2011.

Filed in Office of Secretary of State May 13, 2011.

CHAPTER 341

[Engrossed Substitute Senate Bill 5485]

STATE BUILDINGS—ENERGY CONSERVATION—LIFE-CYCLE ASSESSMENT

AN ACT Relating to maximizing the use of our state's natural resources; and creating new sections.

Be it enacted by the Legislature of the State of Washington:

NEW SECTION. Sec. 1. (1)(a) The University of Washington, led by the college of built environments, and Washington State University, led by the college of engineering and architecture, shall conduct a review of other states' existing building codes, international standards, peer-reviewed research, and models and tools of life-cycle assessment, embodied energy, and embodied carbon in building materials.

(b) This review must identify:

(i) If the standards and models are developed according to a recognized consensus-based process;

(ii) If the standards and models could be implemented as part of building standards or building codes; and

(iii) The scope of life-cycle accounting that the standards and models address.

(2)(a) By September 1, 2012, the University of Washington and Washington State University shall submit a report to the legislature consistent with RCW 43.01.036. In addition to providing the data required in subsection (1) of this section, the report must include recommendations to the legislature for methodologies to:

(i) Determine if a standard, model, or tool using life-cycle assessment can be sufficiently developed to be incorporated into the state building code;

(ii) Develop a comprehensive guideline using common and consistent metrics for the embodied energy, carbon, and life-cycle accounting of building materials; and

(iii) Incorporate into every project the ongoing monitoring, verification, and reporting of a high performance public building's actual performance over its life cycle.

(b) The report must include a list of any journal articles, study summaries, and other scientific information reviewed by the University of Washington and Washington State University in the development of the report and the information relied upon by the University of Washington and Washington State University in finalizing the report required under (a) of this subsection.

(c) When developing its recommendations under this section, the University of Washington and Washington State University shall seek input from organizations representing design and construction professionals, academics, building materials industries, and life-cycle assessment experts.

(3) For the purposes of this section, "life-cycle assessment" means manufacturing, construction, operation, and disposal of products used in the construction of buildings from cradle to grave.

NEW SECTION. Sec. 2. (1)(a) By December 1, 2012, the department of general administration shall make recommendations to the legislature, consistent with RCW 43.01.036, for streamlining current statutory requirements for life-cycle cost analysis, energy conservation in design, and high performance of public buildings.

(b) The department of general administration shall make recommendations on what statutory revisions, if any, are needed to the state's energy life-cycle cost analysis to account for comprehensive life-cycle impacts of carbon emissions.

(2) In making its recommendations to the legislature under subsection (1) of this section, the department of general administration shall use the report prepared by the University of Washington and Washington State University under section 1 of this act.

NEW SECTION. Sec. 3. If specific funding for the purposes of this act, referencing this act by bill or chapter number, is not provided by June 30, 2011, in the omnibus appropriations act, this act is null and void.

Passed by the Senate April 18, 2011.

Passed by the House April 7, 2011.

Approved by the Governor May 12, 2011.

Filed in Office of Secretary of State May 13, 2011.

CHAPTER 342

[Engrossed Senate Bill 5505]

ANNEXED TERRITORY—POPULATION—CENSUS DATA

AN ACT Relating to allowing the use of federal census data to determine the resident population of annexed territory; amending RCW 35.13.260 and 35A.14.700; and declaring an emergency.

Be it enacted by the Legislature of the State of Washington:

Sec. 1. RCW 35.13.260 and 1979 c 151 s 25 are each amended to read as follows:

(1) Whenever any territory is annexed to a city or town, a certificate as hereinafter provided shall be submitted in triplicate to the office of financial management, hereinafter in this section referred to as "the office", within thirty days of the effective date of annexation specified in the relevant ordinance. After approval of the certificate, the office shall retain the original copy in its files, and transmit the second copy to the department of transportation and return the third copy to the city or town. Such certificates shall be in such form and contain such information as shall be prescribed by the office. A copy of the complete ordinance containing a legal description and a map showing specifically the boundaries of the annexed territory shall be attached to each of the three copies of the certificate. The certificate shall be signed by the mayor

and attested by the city clerk. Upon request, the office shall furnish certification forms to any city or town.

(2)(a) The resident population of the annexed territory shall be determined by, or under the direction of, the mayor of the city or town. ((Such population determination shall consist of an actual enumeration of the population which shall be made in accordance with practices and policies, and subject to the approval of, the office.))

(b) If the annexing city or town has a population of ten thousand or less, the annexed territory consists entirely of one or more partial federal census blocks, or 2010 federal decennial census data has not been released within twelve months immediately prior to the date of annexation, the population determination shall consist of an actual enumeration of the population.

(c) In any circumstance, the city or town may choose to have the population determination of the entire annexed territory consist of an actual enumeration. However, if the city or town does not use actual enumeration for determining population, the annexed territory includes or consists of one or more complete federal census blocks, and 2010 federal decennial census data has been released within twelve months immediately prior to the date of annexation, the population determination shall consist of:

(i) Relevant 2010 federal decennial census data pertaining to the complete block or blocks, as such data has been updated by the most recent official population estimate released by the office pursuant to RCW 43.62.030;

(ii) An actual enumeration of any population located within the annexed territory but outside the complete federal census block or blocks; and

(iii) If the office, at least two weeks prior to the date of annexation, confirms the existence of a known census error within a complete federal census block and identifies a structure or complex listed in (c)(iii)(A) through (E) of this subsection (2) as a likely source of the error, an actual enumeration of one or more of the block's identified:

(A) Group quarters;

(B) Mobile home parks;

(C) Apartment buildings that are composed of at least fifty units and are certified for occupancy between January 1, 2010, and April 1, 2011;

(D) Missing subdivisions; and

(E) Closures of any of the categories in (c)(iii)(A) through (D) of this subsection.

(d) Whenever an actual enumeration is used, it shall be made in accordance with the practices and policies of, and subject to the approval of, the office.

(e) The city or town shall be responsible for the full cost of the population determination.

(3) The population shall be determined as of the effective date of annexation as specified in the relevant ordinance.

Until an annexation certificate is filed and approved as provided herein, such annexed territory shall not be considered by the office in determining the population of such city or town.

Upon approval of the annexation certificate, the office shall forward to each state official or department responsible for making allocations or payments to cities or towns, a revised certificate reflecting the increase in population due to such annexation. Upon and after the date of the commencement of the next

quarterly period, the population determination indicated in such revised certificate shall be used as the basis for the allocation and payment of state funds to such city or town.

For the purposes of this section, each quarterly period shall commence on the first day of the months of January, April, July, and October. Whenever a revised certificate is forwarded by the office thirty days or less prior to the commencement of the next quarterly period, the population of the annexed territory shall not be considered until the commencement of the following quarterly period.

Sec. 2. RCW 35A.14.700 and 1979 ex.s. c 18 s 28 are each amended to read as follows:

(1) Whenever any territory is annexed to a code city, a certificate as hereinafter provided shall be submitted in triplicate to the office of financial management within thirty days of the effective date of annexation specified in the relevant ordinance. After approval of the certificate, the office of financial management shall retain the original copy in its files, and transmit the second copy to the department of transportation and return the third copy to the code city. Such certificates shall be in such form and contain such information as shall be prescribed by the office of financial management. A copy of the complete ordinance containing a legal description and a map showing specifically the boundaries of the annexed territory shall be attached to each of the three copies of the certificate. The certificate shall be signed by the mayor and attested by the city clerk. Upon request, the office of financial management shall furnish certification forms to any code city.

(2)(a) The resident population of the annexed territory shall be determined by, or under the direction of, the mayor of the code city. (b) If the annexing code city has a population of ten thousand or less, the annexed territory consists entirely of one or more partial federal census blocks, or 2010 federal decennial census data has not been released within twelve months immediately prior to the date of annexation, the population determination shall consist of an actual enumeration of the population.

(c) In any circumstance, the code city may choose to have the population determination of the entire annexed territory consist of an actual enumeration. However, if the code city does not use actual enumeration for determining population, the annexed territory includes or consists of one or more complete federal census blocks, and 2010 federal decennial census data has been released within twelve months immediately prior to the date of annexation, the population determination shall consist of:

(i) Relevant 2010 federal decennial census data pertaining to the complete block or blocks, as such data has been updated by the most recent official population estimate released by the office of financial management pursuant to RCW 43.62.030;

(ii) An actual enumeration of any population located within the annexed territory but outside the complete federal census block or blocks; and

(iii) If the office of financial management, at least two weeks prior to the date of annexation, confirms the existence of a known census error within a complete federal census block and identifies a structure or complex listed in (c)(iii)(A) through (E) of this subsection (2) as a likely source of the error, an actual enumeration of one or more of the block's identified;

- (A) Group quarters;
(B) Mobile home parks;
(C) Apartment buildings that are composed of at least fifty units and are certified for occupancy between January 1, 2010, and April 1, 2011;
(D) Missing subdivisions; and
(E) Closures of any of the categories in (c)(iii)(A) through (D) of this subsection.

(d) Whenever an actual enumeration is used, it shall be made in accordance with the practices and policies of, and subject to the approval of, the office of financial management.

(e) The code city shall be responsible for the full cost of the population determination.

(3) Upon approval of the annexation certificate, the office of financial management shall forward to each state official or department responsible for making allocations or payments to cities or towns, a revised certificate reflecting the increase in population due to such annexation. Upon and after the date of the commencement of the next quarterly period, the population determination indicated in such revised certificate shall be used as the basis for the allocation and payment of state funds to such city or town.

For the purposes of this section, each quarterly period shall commence on the first day of the months of January, April, July, and October. Whenever a revised certificate is forwarded by the office of financial management thirty days or less prior to the commencement of the next quarterly period, the population of the annexed territory shall not be considered until the commencement of the following quarterly period.

~~((The resident population of the annexed territory shall be determined by, or under the direction of, the mayor of the code city. Such population determination shall consist of an actual enumeration of the population which shall be made in accordance with practices and policies, and subject to the approval of the office of financial management. The population shall be determined as of the effective date of annexation as specified in the relevant ordinance.))~~

(4) Until an annexation certificate is filed and approved as provided herein, such annexed territory shall not be considered by the office of financial management in determining the population of such code city.

NEW SECTION. Sec. 3. 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.

Passed by the Senate April 18, 2011.

Passed by the House April 1, 2011.

Approved by the Governor May 12, 2011.

Filed in Office of Secretary of State May 13, 2011.

CHAPTER 343

[Substitute Senate Bill 5531]

CIVIL COMMITMENTS—JUDICIAL COSTS

AN ACT Relating to the judicial costs of commitments for involuntary mental health treatment; amending RCW 71.05.110, 71.24.160, 71.34.300, and 71.34.330; reenacting and

amending RCW 71.05.230; adding new sections to chapter 71.05 RCW; adding a new section to chapter 71.34 RCW; creating a new section; and providing an effective date.

Be it enacted by the Legislature of the State of Washington:

NEW SECTION. Sec. 1. The legislature recognizes that counties that host evaluation and treatment beds incur costs by providing judicial services associated with civil commitments under chapters 71.05 and 71.34 RCW. Because evaluation and treatment beds are not evenly distributed across the state, these commitments frequently occur in a different county from the county in which the person was originally detained. The intent of this act is to create a process for the state to reimburse counties through the regional support networks for the counties' reasonable direct costs incurred in providing these judicial services, and to prevent the burden of these costs from falling disproportionately on the counties or regional support networks in which the commitments are most likely to occur. The legislature recognizes that the costs of judicial services may vary across the state based on different factors and conditions.

NEW SECTION. Sec. 2. A new section is added to chapter 71.05 RCW to read as follows:

(1) A county may apply to its regional support network on a quarterly basis for reimbursement of its direct costs in providing judicial services for civil commitment cases under this chapter and chapter 71.34 RCW. The regional support network shall in turn be entitled to reimbursement from the regional support network that serves the county of residence of the individual who is the subject of the civil commitment case. Reimbursements under this section shall be paid out of the regional support network's nonmedicaid appropriation.

(2) Reimbursement for judicial services shall be provided per civil commitment case at a rate to be determined based on an independent assessment of the county's actual direct costs. This assessment must be based on an average of the expenditures for judicial services within the county over the past three years. In the event that a baseline cannot be established because there is no significant history of similar cases within the county, the reimbursement rate shall be equal to eighty percent of the median reimbursement rate of counties included in the independent assessment.

(3) For the purposes of this section:

(a) "Civil commitment case" includes all judicial hearings related to a single episode of hospitalization, or less restrictive alternative detention in lieu of hospitalization, except that the filing of a petition for a one hundred eighty-day commitment under this chapter or a petition for a successive one hundred eighty-day commitment under chapter 71.34 RCW shall be considered to be a new case regardless of whether there has been a break in detention. "Civil commitment case" does not include the filing of a petition for a one hundred eighty-day commitment under this chapter on behalf of a patient at a state psychiatric hospital.

(b) "Judicial services" means a county's reasonable direct costs in providing prosecutor services, assigned counsel and defense services, court services, and court clerk services for civil commitment cases under this chapter and chapter 71.34 RCW.

(4) To the extent that resources have shared purpose, the regional support network may only reimburse counties to the extent such resources are necessary for and devoted to judicial services as described in this section.

(5) No filing fee may be charged or collected for any civil commitment case subject to reimbursement under this section.

NEW SECTION. Sec. 3. A new section is added to chapter 71.05 RCW to read as follows:

(1) The joint legislative audit and review committee shall conduct an independent assessment of the direct costs of providing judicial services under this chapter and chapter 71.34 RCW as defined in section 2 of this act. The assessment shall include a review and analysis of the reasons for differences in costs among counties. The assessment shall be conducted for any county in which more than twenty civil commitment cases were conducted during the year prior to the study. The assessment must be completed by June 1, 2012.

(2) The administrative office of the courts and the department shall provide the joint legislative audit and review committee with assistance and data required to complete the assessment.

(3) The joint legislative audit and review committee shall present recommendations as to methods for updating the costs identified in the assessment to reflect changes over time.

NEW SECTION. Sec. 4. A new section is added to chapter 71.34 RCW to read as follows:

A county may apply to its regional support network for reimbursement of its direct costs in providing judicial services for civil commitment cases under this chapter, as provided in section 2 of this act.

Sec. 5. RCW 71.05.110 and 1997 c 112 s 7 are each amended to read as follows:

Attorneys appointed for persons pursuant to this chapter shall be compensated for their services as follows: (1) The person for whom an attorney is appointed shall, if he or she is financially able pursuant to standards as to financial capability and indigency set by the superior court of the county in which the proceeding is held, bear the costs of such legal services; (2) if such person is indigent pursuant to such standards, the ~~((costs of such services shall be borne by))~~ regional support network shall reimburse the county in which the proceeding is held ~~((, subject however to the responsibility for costs provided in RCW 71.05.320(2))~~ for the direct costs of such legal services, as provided in section 2 of this act.

Sec. 6. RCW 71.24.160 and 2001 c 323 s 15 are each amended to read as follows:

The regional support networks shall make satisfactory showing to the secretary that state funds shall in no case be used to replace local funds from any source being used to finance mental health services prior to January 1, 1990. Maintenance of effort funds devoted to judicial services related to involuntary commitment reimbursed under section 2 of this act must be expended for other purposes that further treatment for mental health and chemical dependency disorders.

Sec. 7. RCW 71.34.300 and 1985 c 354 s 14 are each amended to read as follows:

(1) The county or combination of counties is responsible for development and coordination of the evaluation and treatment program for minors, for incorporating the program into the county mental health plan, and for coordination of evaluation and treatment services and resources with the community mental health program required under chapter 71.24 RCW.

(2) The county shall be responsible for maintaining its support of involuntary treatment services for minors at its 1984 level, adjusted for inflation, with the department responsible for additional costs to the county resulting from this chapter. Maintenance of effort funds devoted to judicial services related to involuntary commitment reimbursed under section 2 of this act must be expended for other purposes that further treatment for mental health and chemical dependency disorders.

Sec. 8. RCW 71.34.330 and 1985 c 354 s 23 are each amended to read as follows:

Attorneys appointed for minors under this chapter shall be compensated for their services as follows:

(1) Responsible others shall bear the costs of such legal services if financially able according to standards set by the court of the county in which the proceeding is held.

(2) If all responsible others are indigent as determined by these standards, the ~~((costs of these legal services shall be borne by))~~ regional support network shall reimburse the county in which the proceeding is held for the direct costs of such legal services, as provided in section 2 of this act.

Sec. 9. RCW 71.05.230 and 2009 c 293 s 3 and 2009 c 217 s 2 are each reenacted and amended to read as follows:

A person detained for seventy-two hour evaluation and treatment may be detained for not more than fourteen additional days of involuntary intensive treatment or ninety additional days of a less restrictive alternative to involuntary intensive treatment. ~~((There shall be no fee for filing petitions for fourteen days of involuntary intensive treatment.))~~ A petition may only be filed if the following conditions are met:

(1) The professional staff of the agency or facility providing evaluation services has analyzed the person's condition and finds that the condition is caused by mental disorder and either results in a likelihood of serious harm, or results in the detained person being gravely disabled and are prepared to testify those conditions are met; and

(2) The person has been advised of the need for voluntary treatment and the professional staff of the facility has evidence that he or she has not in good faith volunteered; and

(3) The facility providing intensive treatment is certified to provide such treatment by the department; and

(4) The professional staff of the agency or facility or the designated mental health professional has filed a petition for fourteen day involuntary detention or a ninety day less restrictive alternative with the court. The petition must be signed either by:

- (a) Two physicians;
- (b) One physician and a mental health professional;
- (c) Two psychiatric advanced registered nurse practitioners;

(d) One psychiatric advanced registered nurse practitioner and a mental health professional; or

(e) A physician and a psychiatric advanced registered nurse practitioner. The persons signing the petition must have examined the person. If involuntary detention is sought the petition shall state facts that support the finding that such person, as a result of mental disorder, presents a likelihood of serious harm, or is gravely disabled and that there are no less restrictive alternatives to detention in the best interest of such person or others. The petition shall state specifically that less restrictive alternative treatment was considered and specify why treatment less restrictive than detention is not appropriate. If an involuntary less restrictive alternative is sought, the petition shall state facts that support the finding that such person, as a result of mental disorder, presents a likelihood of serious harm, or is gravely disabled and shall set forth the less restrictive alternative proposed by the facility; and

(5) A copy of the petition has been served on the detained person, his or her attorney and his or her guardian or conservator, if any, prior to the probable cause hearing; and

(6) The court at the time the petition was filed and before the probable cause hearing has appointed counsel to represent such person if no other counsel has appeared; and

(7) The petition reflects that the person was informed of the loss of firearm rights if involuntarily committed; and

(8) At the conclusion of the initial commitment period, the professional staff of the agency or facility or the designated mental health professional may petition for an additional period of either ninety days of less restrictive alternative treatment or ninety days of involuntary intensive treatment as provided in RCW 71.05.290; and

(9) If the hospital or facility designated to provide outpatient treatment is other than the facility providing involuntary treatment, the outpatient facility so designated has agreed to assume such responsibility.

NEW SECTION. Sec. 10. Except for section 3 of this act, this act takes effect July 1, 2012.

Passed by the Senate April 21, 2011.
Passed by the House April 21, 2011.
Approved by the Governor May 12, 2011.
Filed in Office of Secretary of State May 13, 2011.

CHAPTER 344

[Substitute Senate Bill 5614]

COLLECTIVE BARGAINING—UNIVERSITY OF WASHINGTON—
CLASSIFIED EMPLOYEES

AN ACT Relating to requests for funds necessary to implement the compensation and fringe benefit provisions of bargaining agreements with the University of Washington under chapter 41.80 RCW; and amending RCW 41.80.010.

Be it enacted by the Legislature of the State of Washington:

Sec. 1. RCW 41.80.010 and 2010 c 104 s 1 are each amended to read as follows:

(1) For the purpose of negotiating collective bargaining agreements under this chapter, the employer shall be represented by the governor or governor's designee, except as provided for institutions of higher education in subsection (4) of this section.

(2)(a) If an exclusive bargaining representative represents more than one bargaining unit, the exclusive bargaining representative shall negotiate with each employer representative as designated in subsection (1) of this section one master collective bargaining agreement on behalf of all the employees in bargaining units that the exclusive bargaining representative represents. For those exclusive bargaining representatives who represent fewer than a total of five hundred employees each, negotiation shall be by a coalition of all those exclusive bargaining representatives. The coalition shall bargain for a master collective bargaining agreement covering all of the employees represented by the coalition. The governor's designee and the exclusive bargaining representative or representatives are authorized to enter into supplemental bargaining of agency-specific issues for inclusion in or as an addendum to the master collective bargaining agreement, subject to the parties' agreement regarding the issues and procedures for supplemental bargaining. This section does not prohibit cooperation and coordination of bargaining between two or more exclusive bargaining representatives.

(b) This subsection (2) does not apply to exclusive bargaining representatives who represent employees of institutions of higher education, except when the institution of higher education has elected to exercise its option under subsection (4) of this section to have its negotiations conducted by the governor or governor's designee under the procedures provided for general government agencies in subsections (1) through (3) of this section.

(c) If five hundred or more employees of an independent state elected official listed in RCW 43.01.010 are organized in a bargaining unit or bargaining units under RCW 41.80.070, the official shall be consulted by the governor or the governor's designee before any agreement is reached under (a) of this subsection concerning supplemental bargaining of agency specific issues affecting the employees in such bargaining unit.

(3) The governor shall submit a request for funds necessary to implement the compensation and fringe benefit provisions in the master collective bargaining agreement or for legislation necessary to implement the agreement. Requests for funds necessary to implement the provisions of bargaining agreements shall not be submitted to the legislature by the governor unless such requests:

(a) Have been submitted to the director of the office of financial management by October 1 prior to the legislative session at which the requests are to be considered; and

(b) Have been certified by the director of the office of financial management as being feasible financially for the state.

The legislature shall approve or reject the submission of the request for funds as a whole. The legislature shall not consider a request for funds to implement a collective bargaining agreement unless the request is transmitted to the legislature as part of the governor's budget document submitted under RCW 43.88.030 and 43.88.060. If the legislature rejects or fails to act on the submission, either party may reopen all or part of the agreement or the exclusive

bargaining representative may seek to implement the procedures provided for in RCW 41.80.090.

(4)(a)(i) For the purpose of negotiating agreements for institutions of higher education, the employer shall be the respective governing board of each of the universities, colleges, or community colleges or a designee chosen by the board to negotiate on its behalf.

(ii) A governing board of a university or college may elect to have its negotiations conducted by the governor or governor's designee under the procedures provided for general government agencies in subsections (1) through (3) of this section, except that:

(A) The governor or the governor's designee and an exclusive bargaining representative shall negotiate one master collective bargaining agreement for all of the bargaining units of employees of a university or college that the representative represents; or

(B) If the parties mutually agree, the governor or the governor's designee and an exclusive bargaining representative shall negotiate one master collective bargaining agreement for all of the bargaining units of employees of more than one university or college that the representative represents.

(iii) A governing board of a community college may elect to have its negotiations conducted by the governor or governor's designee under the procedures provided for general government agencies in subsections (1) through (3) of this section.

(b) Prior to entering into negotiations under this chapter, the institutions of higher education or their designees shall consult with the director of the office of financial management regarding financial and budgetary issues that are likely to arise in the impending negotiations.

(c)(i) In the case of bargaining agreements reached between institutions of higher education other than the University of Washington and exclusive bargaining representatives agreed to under the provisions of this chapter, if appropriations are necessary to implement the compensation and fringe benefit provisions of the bargaining agreements (~~reached between institutions of higher education and exclusive bargaining representatives agreed to under the provisions of this chapter~~), the governor shall submit a request for such funds to the legislature according to the provisions of subsection (3) of this section, except as provided in (c)(~~ii~~) (iii) of this subsection.

(ii) In the case of bargaining agreements reached between the University of Washington and exclusive bargaining representatives agreed to under the provisions of this chapter, if appropriations are necessary to implement the compensation and fringe benefit provisions of a bargaining agreement, the governor shall submit a request for such funds to the legislature according to the provisions of subsection (3) of this section, except as provided in this subsection (4)(c)(ii) and as provided in (c)(iii) of this subsection.

(A) If appropriations of less than ten thousand dollars are necessary to implement the provisions of a bargaining agreement, a request for such funds shall not be submitted to the legislature by the governor unless the request has been submitted to the director of the office of financial management by October 1 prior to the legislative session at which the request is to be considered.

(B) If appropriations of ten thousand dollars or more are necessary to implement the provisions of a bargaining agreement, a request for such funds shall not be submitted to the legislature by the governor unless the request:

(I) Has been submitted to the director of the office of financial management by October 1 prior to the legislative session at which the request is to be considered; and

(II) Has been certified by the director of the office of financial management as being feasible financially for the state.

(C) If the director of the office of financial management does not certify a request under (c)(ii)(B) of this subsection as being feasible financially for the state, the parties shall enter into collective bargaining solely for the purpose of reaching a mutually agreed upon modification of the agreement necessary to address the absence of those requested funds. The legislature may act upon the compensation and fringe benefit provisions of the modified collective bargaining agreement if those provisions are agreed upon and submitted to the office of financial management and legislative budget committees before final legislative action on the biennial or supplemental operating budget by the sitting legislature.

(iii) In the case of a bargaining unit of employees of institutions of higher education in which the exclusive bargaining representative is certified during or after the conclusion of a legislative session, the legislature may act upon the compensation and fringe benefit provisions of the unit's initial collective bargaining agreement if those provisions are agreed upon and submitted to the office of financial management and legislative budget committees before final legislative action on the biennial or supplemental operating budget by the sitting legislature.

(5) There is hereby created a joint committee on employment relations, which consists of two members with leadership positions in the house of representatives, representing each of the two largest caucuses; the chair and ranking minority member of the house appropriations committee, or its successor, representing each of the two largest caucuses; two members with leadership positions in the senate, representing each of the two largest caucuses; and the chair and ranking minority member of the senate ways and means committee, or its successor, representing each of the two largest caucuses. The governor shall periodically consult with the committee regarding appropriations necessary to implement the compensation and fringe benefit provisions in the master collective bargaining agreements, and upon completion of negotiations, advise the committee on the elements of the agreements and on any legislation necessary to implement the agreements.

(6) If, after the compensation and fringe benefit provisions of an agreement are approved by the legislature, a significant revenue shortfall occurs resulting in reduced appropriations, as declared by proclamation of the governor or by resolution of the legislature, both parties shall immediately enter into collective bargaining for a mutually agreed upon modification of the agreement.

(7) After the expiration date of a collective bargaining agreement negotiated under this chapter, all of the terms and conditions specified in the collective bargaining agreement remain in effect until the effective date of a subsequently negotiated agreement, not to exceed one year from the expiration date stated in the agreement. Thereafter, the employer may unilaterally implement according to law.

Passed by the Senate April 20, 2011.
Passed by the House April 8, 2011.
Approved by the Governor May 12, 2011.
Filed in Office of Secretary of State May 13, 2011.

CHAPTER 345

[Second Substitute Senate Bill 5662]

PUBLIC WORKS—RESIDENT CONTRACTOR PREFERENCE

AN ACT Relating to establishing a preference for resident contractors on public works; adding a new section to chapter 39.04 RCW; and creating a new section.

Be it enacted by the Legislature of the State of Washington:

NEW SECTION. Sec. 1. A new section is added to chapter 39.04 RCW to read as follows:

(1) The department of general administration must conduct a survey and compile the results into a list of which states provide a bidding preference on public works contracts for their resident contractors. The list must include details on the type of preference, the amount of the preference, and how the preference is applied. The list must be updated periodically as needed. The initial survey must be completed by November 1, 2011, and by December 1, 2011, the department must submit a report to the appropriate committees of the legislature on the results of the survey. The report must include the list and recommendations necessary to implement the intent of this section and section 2 of this act.

(2) The department of general administration must distribute the report, along with the requirements of this section and section 2 of this act, to all state and local agencies with the authority to procure public works. The department may adopt rules and procedures to implement the reciprocity requirements in subsection (3) of this section. However, subsection (3) does not take effect until the department of general administration has adopted the rules and procedures for reciprocity under subsection (2) of this section or announced that it will not be issuing rules or procedures pursuant to this section.

(3) In any bidding process for public works in which a bid is received from a nonresident contractor from a state that provides a percentage bidding preference, a comparable percentage disadvantage must be applied to the bid of that nonresident contractor. This subsection does not apply until the department of general administration has adopted the rules and procedures for reciprocity under subsection (2) of this section, or has determined and announced that rules are not necessary for implementation.

(4) A nonresident contractor from a state that provides a percentage bid preference means a contractor that:

(a) Is from a state that provides a percentage bid preference to its resident contractors bidding on public works contracts; and

(b) At the time of bidding on a public works project, does not have a physical office located in Washington.

(5) The state of residence for a nonresident contractor is the state in which the contractor was incorporated or, if not a corporation, the state where the contractor's business entity was formed.

(6) This section does not apply to public works procured pursuant to RCW 39.04.155, 39.04.280, or any other procurement exempt from competitive bidding.

NEW SECTION. Sec. 2. 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 or local authority, 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 or local authority.

Passed by the Senate April 21, 2011.

Passed by the House April 15, 2011.

Approved by the Governor May 12, 2011.

Filed in Office of Secretary of State May 13, 2011.

CHAPTER 346

[Substitute Senate Bill 5691]

CRIME VICTIMS' COMPENSATION

AN ACT Relating to crime victims' compensation; amending RCW 7.68.020, 7.68.030, 7.68.075, 7.68.060, 7.68.070, 7.68.080, 7.68.085, 7.68.085, 7.68.125, 7.68.130, and 7.68.050; reenacting and amending RCW 7.68.070; adding new sections to chapter 7.68 RCW; creating new sections; repealing RCW 7.68.100; prescribing penalties; providing effective dates; providing an expiration date; and declaring an emergency.

Be it enacted by the Legislature of the State of Washington:

NEW SECTION. Sec. 1. It is the intent of the legislature that eligible victims of crime who suffer bodily injury or death as a result of violent crime receive benefits under the crime victims' compensation program. To ensure benefits are provided, within funds available, to the largest number of eligible victims, it is imperative to streamline and provide flexibility in the administration of the program. Therefore, the legislature intends to simplify the administration of the benefits and services provided to victims of crime by separating the administration of the benefits and services provided to crime victims from the workers' compensation program under Title 51 RCW. These changes are intended to clarify that the limited funding available to help victims of crimes will be managed to help the largest number of crime victims as possible.

I. DEFINITIONS

Sec. 101. RCW 7.68.020 and 2006 c 268 s 1 are each amended to read as follows:

The following words and phrases as used in this chapter have the meanings set forth in this section unless the context otherwise requires.

(1) (~~"Department" means the department of labor and industries.~~

~~(2))~~ "Accredited school" means a school or course of instruction which is:

(a) Approved by the state superintendent of public instruction, the state board of education, or the state board for community and technical colleges; or

(b) Regulated or licensed as to course content by any agency of the state or under any occupational licensing act of the state, or recognized by the apprenticeship council under an agreement registered with the apprenticeship council pursuant to chapter 49.04 RCW.

(2) "Average monthly wage" means the average annual wage as determined under RCW 50.04.355 as now or hereafter amended divided by twelve.

(3) "Beneficiary" means a husband, wife, registered domestic partner, or child of a victim in whom shall vest a right to receive payment under this chapter, except that a husband or wife of an injured victim, living separate and apart in a state of abandonment, regardless of the party responsible therefor, for more than one year at the time of the injury or subsequently, shall not be a beneficiary. A spouse who has lived separate and apart from the other spouse for the period of two years and who has not, during that time, received or attempted by process of law to collect funds for maintenance, shall be deemed living in a state of abandonment.

(4) "Child" means every natural born child, posthumous child, stepchild, child legally adopted prior to the injury, child born after the injury where conception occurred prior to the injury, and dependent child in the legal custody and control of the victim, all while under the age of eighteen years, or under the age of twenty-three years while permanently enrolled as a full-time student in an accredited school, and over the age of eighteen years if the child is a dependent as a result of a physical, mental, or sensory handicap.

(5) "Criminal act" means an act committed or attempted in this state which is: (a) Punishable as a federal offense that is comparable to a felony or gross misdemeanor in this state; (b) punishable as a felony or gross misdemeanor under the laws of this state; (c) an act committed outside the state of Washington against a resident of the state of Washington which would be compensable had it occurred inside this state and the crime occurred in a state which does not have a crime victims' compensation program, for which the victim is eligible as set forth in the Washington compensation law; or (d) ~~(an act of terrorism as defined in 18 U.S.C. Sec. 2331, as it exists on May 2, 1997, committed outside of the United States against a resident of the state of Washington, except as follows)~~ trafficking as defined in RCW 9A.40.100. A "criminal act" does not include the following:

(i) The operation of a motor vehicle, motorcycle, train, boat, or aircraft in violation of law ~~((does not constitute a "criminal act"))~~ unless:

(A) The injury or death was intentionally inflicted;

(B) The operation thereof was part of the commission of another nonvehicular criminal act as defined in this section;

(C) The death or injury was the result of the operation of a motor vehicle after July 24, 1983, and a preponderance of the evidence establishes that the death was the result of vehicular homicide under RCW 46.61.520, or a conviction of vehicular assault under RCW 46.61.522, has been obtained ~~(= PROVIDED, That)~~. In cases where a probable criminal defendant has died in perpetration of vehicular assault or, in cases where the perpetrator of the vehicular assault is unascertainable because he or she left the scene of the accident in violation of RCW 46.52.020 or, because of physical or mental infirmity or disability the perpetrator is incapable of standing trial for vehicular

assault, the department may, by a preponderance of the evidence, establish that a vehicular assault had been committed and authorize benefits;

(D) The injury or death was caused by a driver in violation of RCW 46.61.502; or

(E) The injury or death was caused by a driver in violation of RCW 46.61.655(7)(a), failure to secure a load in the first degree;

(ii) Neither an acquittal in a criminal prosecution nor the absence of any such prosecution is admissible in any claim or proceeding under this chapter as evidence of the noncriminal character of the acts giving rise to such claim or proceeding, except as provided for in (d)(i)(C) of this subsection;

(iii) Evidence of a criminal conviction arising from acts which are the basis for a claim or proceeding under this chapter is admissible in such claim or proceeding for the limited purpose of proving the criminal character of the acts; and

(iv) Acts which, but for the insanity or mental irresponsibility of the perpetrator, would constitute criminal conduct are deemed to be criminal conduct within the meaning of this chapter.

~~((3)) "Victim" means a person who suffers bodily injury or death as a proximate result of a criminal act of another person, the victim's own good faith and reasonable effort to prevent a criminal act, or his or her good faith effort to apprehend a person reasonably suspected of engaging in a criminal act. For the purposes of receiving benefits pursuant to this chapter, "victim" is interchangeable with "employee" or "worker" as defined in chapter 51.08 RCW as now or hereafter amended.~~

~~(4) "Child," "accredited school," "dependent," "beneficiary," "average monthly wage," "director," "injury," "invalid," "permanent partial disability," and "permanent total disability" have the meanings assigned to them in chapter 51.08 RCW as now or hereafter amended.~~

~~(5))~~ (6) "Department" means the department of labor and industries.

(7) "Financial support for lost wages" means a partial replacement of lost wages due to a temporary or permanent total disability.

(8) "Gainfully employed" means engaging on a regular and continuous basis in a lawful activity from which a person derives a livelihood.

~~((6))~~ (9) "Injury" means a sudden and tangible happening, of a traumatic nature, producing an immediate or prompt result, and occurring from without, and such physical conditions as result therefrom.

(10) "Invalid" means one who is physically or mentally incapacitated from earning wages.

(11) "Permanent total disability" means loss of both legs, or arms, or one leg and one arm, total loss of eyesight, paralysis, or other condition permanently incapacitating the victim from performing any work at any gainful occupation.

(12) "Private insurance" means any source of recompense provided by contract available as a result of the claimed injury or death at the time of such injury or death, or which becomes available any time thereafter.

~~((7))~~ (13) "Public insurance" means any source of recompense provided by statute, state or federal, available as a result of the claimed injury or death at the time of such injury or death, or which becomes available any time thereafter.

(14) "Temporary total disability" means any condition that temporarily incapacitates a victim from performing any type of gainful employment as certified by the victim's attending physician.

(15) "Victim" means a person who suffers bodily injury or death as a proximate result of a criminal act of another person, the victim's own good faith and reasonable effort to prevent a criminal act, or his or her good faith effort to apprehend a person reasonably suspected of engaging in a criminal act. For the purposes of receiving benefits pursuant to this chapter, "victim" is interchangeable with "employee" or "worker" as defined in chapter 51.08 RCW as now or hereafter amended.

II. GENERAL PROVISIONS

NEW SECTION. Sec. 201. On all claims under this chapter, claimants' written or electronic notices, orders, or warrants must be forwarded directly to the claimant until such time as there has been entered an order on the claim appealable to the department. Claimants' written or electronic notices, orders, or warrants may be forwarded to the claimant in care of a representative before an order has been entered if the claimant sets forth in writing the name and address of the representative to whom the claimant desires this information to be forwarded.

NEW SECTION. Sec. 202. The department may, at any time, on receipt of written or electronic authorization, transmit amounts payable to a claimant or to the account of such person in a bank or other financial institution regulated by state or federal authority.

NEW SECTION. Sec. 203. (1) Except as provided in RCW 43.20B.720, 72.09.111, 74.20A.260, and 51.32.380, no money paid or payable under this chapter shall, before the issuance and delivery of the check or warrant, or disbursement of electronic funds or electronic payment, be assigned, charged, or taken in execution, attached, garnished, or pass or be paid to any other person by operation of law, any form of voluntary assignment, or power of attorney. Any such assignment or charge is void unless the transfer is to a financial institution at the request of a victim or other beneficiary and made in accordance with section 204 of this act.

(2)(a) If any victim suffers an injury and dies from it before he or she receives payment of any monthly installment covering financial support for lost wages for any period of time before his or her death, the amount of the monthly payment shall be paid to the surviving spouse or the child or children if there is no surviving spouse. If there is no surviving spouse and no child or children, the amount of the monthly payment shall be paid by the department and distributed consistent with the terms of the decedent's will or, if the decedent dies intestate, consistent with the terms of RCW 11.04.015.

(b) Any application for compensation under this subsection (2) shall be filed with the department within one year of the date of death. The department may satisfy its responsibilities under this subsection (2) by sending any payment due in the name of the decedent and to the last known address of the decedent.

(3) Any victim or beneficiary receiving benefits under this chapter who is subsequently confined in, or who subsequently becomes eligible for benefits under this chapter while confined in, any institution under conviction and

sentence shall have all payments of the compensation canceled during the period of confinement. After discharge from the institution, payment of benefits due afterward shall be paid if the victim or beneficiary would, except for the provisions of this subsection (3), otherwise be eligible for them.

NEW SECTION. Sec. 204. Any victim or other recipient of benefits under this chapter may elect to have any payments due transferred to such person's account in a financial institution for either: (1) Credit to the recipient's account in such financial institution; or (2) immediate transfer therefrom to the recipient's account in any other financial institution. A single warrant may be drawn in favor of such financial institution, for the total amount due the recipients involved, and written directions provided to such financial institution of the amount to be credited to the account of a recipient or to be transferred to an account in another financial institution for such recipient. The issuance and delivery by the disbursing officer of a warrant in accordance with the procedure set forth in this section and proper endorsement thereof by the financial institution shall have the same legal effect as payment directly to the recipient.

For the purposes of this section "financial institution" shall have the meaning given in RCW 41.04.240 as now or hereafter amended.

NEW SECTION. Sec. 205. (1) The department may require that the victim present himself or herself for a special medical examination by a physician or physicians selected by the department, and the department may require that the victim present himself or herself for a personal interview. The costs of the examination or interview, including payment of any reasonable travel expenses, shall be paid by the department as part of the victim's total claim under RCW 7.68.070(1).

(2) The director may establish a medical bureau within the department to perform medical examinations under this section.

(3) Where a dispute arises from the handling of any claim before the condition of the injured victim becomes fixed, the victim may request the department to resolve the dispute or the director may initiate an inquiry on his or her own motion. In these cases, the department shall proceed as provided in this section and an order shall issue in accordance with RCW 51.52.050.

Sec. 206. RCW 7.68.030 and 2009 c 479 s 7 are each amended to read as follows:

(1) It shall be the duty of the director to establish and administer a program of benefits to innocent victims of criminal acts within the terms and limitations of this chapter. ~~((In so doing, the director shall, in accordance with chapter 34.05 RCW, adopt rules and regulations necessary to the administration of this chapter, and the provisions contained in chapter 51.04 RCW, including but not limited to RCW 51.04.020, 51.04.030, 51.04.040, 51.04.050 and 51.04.100 as now or hereafter amended, shall apply where appropriate in keeping with the intent of this chapter.))~~ The director may apply for and, subject to appropriation, expend federal funds under Public Law 98-473 and any other federal program providing financial assistance to state crime victim compensation programs. The federal funds shall be deposited in the state general fund and may be expended only for purposes authorized by applicable federal law.

(2) The director shall:

(a) Establish and adopt rules governing the administration of this chapter in accordance with chapter 34.05 RCW;

(b) Regulate the proof of accident and extent thereof, the proof of death, and the proof of relationship and the extent of dependency;

(c) Supervise the medical, surgical, and hospital treatment to the intent that it may be in all cases efficient and up to the recognized standard of modern surgery;

(d) Issue proper receipts for moneys received and certificates for benefits accrued or accruing;

(e) Designate a medical director who is licensed under chapter 18.57 or 18.71 RCW;

(f) Supervise the providing of prompt and efficient care and treatment, including care provided by physician assistants governed by the provisions of chapters 18.57A and 18.71A RCW, acting under a supervising physician, including chiropractic care, and including care provided by licensed advanced registered nurse practitioners, to victims at the least cost consistent with promptness and efficiency, without discrimination or favoritism, and with as great uniformity as the various and diverse surrounding circumstances and locations of industries will permit and to that end shall, from time to time, establish and adopt and supervise the administration of printed forms, electronic communications, rules, regulations, and practices for the furnishing of such care and treatment. The medical coverage decisions of the department do not constitute a "rule" as used in RCW 34.05.010(16), nor are such decisions subject to the rule-making provisions of chapter 34.05 RCW except that criteria for establishing medical coverage decisions shall be adopted by rule. The department may recommend to a victim particular health care services and providers where specialized treatment is indicated or where cost-effective payment levels or rates are obtained by the department, and the department may enter into contracts for goods and services including, but not limited to, durable medical equipment so long as statewide access to quality service is maintained for injured victims;

(g) In consultation with interested persons, establish and, in his or her discretion, periodically change as may be necessary, and make available a fee schedule of the maximum charges to be made by any physician, surgeon, chiropractor, hospital, druggist, licensed advanced registered nurse practitioner, and physician assistants as defined in chapters 18.57A and 18.71A RCW, acting under a supervising physician or other agency or person rendering services to victims. The department shall coordinate with other state purchasers of health care services to establish as much consistency and uniformity in billing and coding practices as possible, taking into account the unique requirements and differences between programs. No service covered under this title, including services provided to victims, whether aliens or other victims, who are not residing in the United States at the time of receiving the services, shall be charged or paid at a rate or rates exceeding those specified in such fee schedule, and no contract providing for greater fees shall be valid as to the excess. The establishment of such a schedule, exclusive of conversion factors, does not constitute "agency action" as used in RCW 34.05.010(3), nor does such a fee schedule constitute a "rule" as used in RCW 34.05.010(16);

(h) Make a record of the commencement of every disability and the termination thereof and, when bills are rendered for the care and treatment of injured victims, shall approve and pay those which conform to the adopted rules, regulations, established fee schedules, and practices of the director and may reject any bill or item thereof incurred in violation of the principles laid down in this section or the rules, regulations, or the established fee schedules and rules and regulations adopted under it.

(3) The director and his or her authorized assistants:

(a) Have power to issue subpoenas to enforce the attendance and testimony of witnesses and the production and examination of books, papers, photographs, tapes, and records before the department in connection with any claim made to the department or any billing submitted to the department. The superior court has the power to enforce any such subpoena by proper proceedings:

(b)(i) May apply for and obtain a superior court order approving and authorizing a subpoena in advance of its issuance. The application may be made in the county where the subpoenaed person resides or is found, or the county where the subpoenaed records or documents are located, or in Thurston county. The application must (A) state that an order is sought pursuant to this subsection; (B) adequately specify the records, documents, or testimony; and (C) declare under oath that an investigation is being conducted for a lawfully authorized purpose related to an investigation within the department's authority and that the subpoenaed documents or testimony are reasonably related to an investigation within the department's authority.

(ii) Where the application under this subsection (3)(b) is made to the satisfaction of the court, the court must issue an order approving the subpoena. An order under this subsection constitutes authority of law for the agency to subpoena the records or testimony.

(iii) The director and his or her authorized assistants may seek approval and a court may issue an order under this subsection without prior notice to any person, including the person to whom the subpoena is directed and the person who is the subject of an investigation.

(4) In all hearings, actions, or proceedings before the department, any physician or licensed advanced registered nurse practitioner having theretofore examined or treated the claimant may be required to testify fully regarding such examination or treatment, and shall not be exempt from so testifying by reason of the relation of the physician or licensed advanced registered nurse practitioner to the patient.

Sec. 207. RCW 7.68.075 and 1977 ex.s. c 302 s 6 are each amended to read as follows:

~~((Notwithstanding the provisions of any of the sections, as now or hereafter amended, of Title 51 RCW which are made applicable to))~~ Under this chapter, the marital status of all victims shall be deemed to be fixed as of the date of the criminal act. All references to the child or children living or conceived of the victim in this chapter shall be deemed to refer to such child or children as of the date of the criminal act unless the context clearly indicates the contrary.

Payments for or on account of any such child or children shall cease when such child is no longer a "child" ~~((as defined in RCW 51.08.030, as now or hereafter amended,))~~ or on the death of any such child whichever occurs first.

Payments to the victim or surviving spouse for or on account of any such child or children shall be made only when the victim or surviving spouse has legal custody of any such child or children. Where the victim or surviving spouse does not have such legal custody any payments for or on account of any such child or children shall be made to the person having legal custody of such child or children and the amount of payments shall be subtracted from the payments which would have been due the victim or surviving spouse had legal custody not been transferred to another person. It shall be the duty of any person or persons receiving payments because of legal custody of any child to immediately notify the department of any change in such legal custody.

III. APPLICATION FOR BENEFITS

Sec. 301. RCW 7.68.060 and 2001 c 153 s 1 are each amended to read as follows:

(1) ~~Except for ((the purposes of applying for benefits under this chapter, the rights, privileges, responsibilities, duties, limitations and procedures contained in RCW 51.28.020, 51.28.030, 51.28.040 and 51.28.060 shall apply: PROVIDED, That except for))~~ applications received pursuant to subsection ~~((4))~~ (6) of this section, no compensation of any kind shall be available under this chapter if:

(a) An application for benefits is not received by the department within two years after the date the criminal act was reported to a local police department or sheriff's office or the date the rights of ~~((dependents or))~~ beneficiaries accrued, unless the director has determined that "good cause" exists to expand the time permitted to receive the application. "Good cause" shall be determined by the department on a case-by-case basis and may extend the period of time in which an application can be received for up to five years after the date the criminal act was reported to a local police department or sheriff's office or the date the rights of ~~((dependents or))~~ beneficiaries accrued; or

(b) The criminal act is not reported by the victim or someone on his or her behalf to a local police department or sheriff's office within twelve months of its occurrence or, if it could not reasonably have been reported within that period, within twelve months of the time when a report could reasonably have been made. In making determinations as to reasonable time limits, the department shall give greatest weight to the needs of the victims.

(2) ~~((This section shall apply only to criminal acts reported after December 31, 1985.~~

~~((3))~~ No person or spouse, child, or dependent of such person is eligible for benefits under this chapter when the injury for which benefits are sought, was:

(a) The result of consent, provocation, or incitement by the victim, unless an injury resulting from a criminal act caused the death of the victim;

(b) Sustained while the crime victim was engaged in the attempt to commit, or the commission of, a felony; or

(c) Sustained while the victim was confined in any county or city jail, federal jail or prison or in any other federal institution, or any state correctional institution maintained and operated by the department of social and health services or the department of corrections, prior to release from lawful custody;

or confined or living in any other institution maintained and operated by the department of social and health services or the department of corrections.

(3) No person or spouse, child, or dependent of such person is eligible for benefits under this chapter where the person making a claim for such benefits has refused to give reasonable cooperation to state or local law enforcement agencies in their efforts to apprehend and convict the perpetrator of the criminal act which gave rise to the claim.

(4) A victim is not eligible for benefits under this chapter if he or she:

(a) Has been convicted of a felony offense within five years preceding the criminal act for which they are applying where the felony offense is a violent offense under RCW 9.94A.030 or a crime against persons under RCW 9.94A.411, or is convicted of such a felony offense after the criminal act for which they are applying; and

(b) Has not completely satisfied all legal financial obligations owed.

(5) Because victims of childhood criminal acts may repress conscious memory of such criminal acts far beyond the age of eighteen, the rights of adult victims of childhood criminal acts shall accrue at the time the victim discovers or reasonably should have discovered the elements of the crime. In making determinations as to reasonable time limits, the department shall give greatest weight to the needs of the victim.

~~((4) A right to))~~ (6)(a) Benefits under this chapter ((is)) are available to any victim of a person against whom the state initiates proceedings under chapter 71.09 RCW. The right created under this subsection shall accrue when the victim is notified of proceedings under chapter 71.09 RCW or the victim is interviewed, deposed, or testifies as a witness in connection with the proceedings. An application for benefits under this subsection must be received by the department within two years after the date the victim's right accrued unless the director determines that good cause exists to expand the time to receive the application. The director shall determine "good cause" on a case-by-case basis and may extend the period of time in which an application can be received for up to five years after the date the right of the victim accrued. Benefits under this subsection shall be limited to compensation for costs or losses incurred on or after the date the victim's right accrues for a claim allowed under this subsection.

(b) A person identified as the "minor" in the charge of commercial sexual abuse of a minor under RCW 9.68A.100, promoting commercial sexual abuse of a minor under RCW 9.68A.101, or promoting travel for commercial sexual abuse of a minor under RCW 9.68A.102 is considered a victim of a criminal act for the purpose of the right to benefits under this chapter even if the person is also charged with prostitution under RCW 9A.88.030.

NEW SECTION. Sec. 302. (1)(a) Where a victim is eligible for compensation under this chapter he or she shall file with the department his or her application for such, together with the certificate of the physician or licensed advanced registered nurse practitioner who attended him or her. An application form developed by the department shall include a notice specifying the victim's right to receive health services from a physician or licensed advanced registered nurse practitioner utilizing his or her private or public insurance or if no insurance, of the victim's choice under section 507 of this act.

(b) The physician or licensed advanced registered nurse practitioner who attended the injured victim shall inform the injured victim of his or her rights under this chapter and lend all necessary assistance in making this application for compensation and such proof of other matters as required by the rules of the department without charge to the victim.

(2) If the application required by this section is filed on behalf of the victim by the physician who attended the victim, the physician may transmit the application to the department electronically.

NEW SECTION. Sec. 303. Where death results from injury the parties eligible for compensation under this chapter, or someone in their behalf, shall make application for the same to the department, which application must be accompanied with proof of death and proof of relationship showing the parties to be eligible for compensation under this chapter, certificates of attending physician or licensed advanced registered nurse practitioner, if any, and such proof as required by the rules of the department.

NEW SECTION. Sec. 304. If change of circumstances warrants an increase or rearrangement of compensation, like application shall be made therefor. Where the application has been granted, compensation and other benefits if in order shall be allowed for periods of time up to sixty days prior to the receipt of such application.

NEW SECTION. Sec. 305. If injury or death results to a victim from the deliberate intention of the victim himself or herself to produce such injury or death, or while the victim is engaged in the attempt to commit, or the commission of, a felony, neither the victim nor the widow, widower, child, or dependent of the victim shall receive any payment under this chapter.

If injury or death results to a victim from the deliberate intention of a beneficiary of that victim to produce the injury or death, or if injury or death results to a victim as a consequence of a beneficiary of that victim engaging in the attempt to commit, or the commission of, a felony, the beneficiary shall not receive any payment under this chapter.

An invalid child, while being supported and cared for in a state institution, shall not receive compensation under this chapter.

No payment shall be made to or for a natural child of a deceased victim and, at the same time, as the stepchild of a deceased victim.

NEW SECTION. Sec. 306. Except as otherwise provided by treaty or this chapter, whenever compensation is payable to a beneficiary who is an alien not residing in the United States, the department shall pay the compensation to which a resident beneficiary is eligible under this chapter. But if a nonresident alien beneficiary is a citizen of a government having a compensation law which excludes citizens of the United States, either resident or nonresident, from partaking of the benefit of such law in as favorable a degree as herein extended to nonresident aliens, he or she shall receive no compensation. No payment shall be made to any beneficiary residing in any country with which the United States does not maintain diplomatic relations when such payment is due.

NEW SECTION. Sec. 307. Physicians or licensed advanced registered nurse practitioners examining or attending injured victims under this chapter shall comply with rules and regulations adopted by the director, and shall make such reports as may be requested by the department upon the condition or

treatment of any such victim, or upon any other matters concerning such victims in their care. Except under RCW 49.17.210 and 49.17.250, all medical information in the possession or control of any person and relevant to the particular injury in the opinion of the department pertaining to any victim whose injury is the basis of a claim under this chapter shall be made available at any stage of the proceedings to the claimant's representative and the department upon request, and no person shall incur any legal liability by reason of releasing such information.

IV. BENEFITS

Sec. 401. RCW 7.68.070 and 2010 c 289 s 6 and 2010 c 122 s 1 are each reenacted and amended to read as follows:

The ~~((right to))~~ eligibility for benefits under this chapter and the amount thereof will be governed insofar as is applicable by the provisions contained in this chapter ~~((51.32 RCW except as provided in this section, provided that no more than fifty thousand dollars shall be paid per claim:))~~.

~~(1) ((The provisions contained in RCW 51.32.015, 51.32.030, 51.32.072, 51.32.073, 51.32.180, 51.32.190, and 51.32.200 are not applicable to this chapter.~~

~~(2))~~ Each victim injured as a result of a criminal act, including criminal acts committed between July 1, 1981, and January 1, 1983, or the victim's family or ~~((dependents))~~ beneficiary in case of death of the victim, are ~~((entitled to))~~ eligible for benefits in accordance with this chapter, subject to the limitations under RCW 7.68.015. ~~((The rights, duties, responsibilities, limitations, and procedures applicable to a worker as contained in RCW 51.32.010 are applicable to this chapter.~~

~~(3)(a) The limitations contained in RCW 51.32.020 are applicable to claims under this chapter. In addition, no person or spouse, child, or dependent of such person is entitled to benefits under this chapter when the injury for which benefits are sought, was:~~

~~(i) The result of consent, provocation, or incitement by the victim, unless an injury resulting from a criminal act caused the death of the victim;~~

~~(ii) Sustained while the crime victim was engaged in the attempt to commit, or the commission of, a felony; or~~

~~(iii) Sustained while the victim was confined in any county or city jail, federal jail or prison or in any other federal institution, or any state correctional institution maintained and operated by the department of social and health services or the department of corrections, prior to release from lawful custody; or confined or living in any other institution maintained and operated by the department of social and health services or the department of corrections.~~

~~(b) A person identified as the "minor" in the charge of commercial sexual abuse of a minor under RCW 9.68A.100, promoting commercial sexual abuse of a minor under RCW 9.68A.101, or promoting travel for commercial sexual abuse of a minor under RCW 9.68A.102 is considered a victim of a criminal act for the purpose of the right to benefits under this chapter even if the person is also charged with prostitution under RCW 9A.88.030.~~

~~(4) The benefits established upon the death of a worker and contained in RCW 51.32.050 shall be the benefits obtainable under this chapter and~~

~~provisions relating to payment contained in that section shall equally apply under this chapter, except that:~~

~~(a)) No more than fifty thousand dollars shall be paid in total per claim, of which nonmedical benefits shall not exceed forty thousand dollars of the entire claim. Benefits may include a combination of burial expenses, financial support for lost wages, and medical expenses.~~

~~(a) Benefits payable for temporary total disability that results in financial support for lost wages shall not exceed fifteen thousand dollars.~~

~~(b) Benefits payable for a permanent total disability or fatality that results in financial support for lost wages shall not exceed forty thousand dollars. After at least twelve monthly payments have been paid, the department shall have the sole discretion to make a final lump sum payment of the balance remaining.~~

~~(c) Benefits for disposition of remains or burial expenses shall not exceed five thousand seven hundred fifty dollars per claim.~~

~~(2) If the victim was not gainfully employed at the time of the criminal act, no financial support for lost wages will be paid to the victim or any beneficiaries.~~

~~(3) No victim or beneficiary shall receive compensation for or during the day on which the injury was received.~~

~~(4) If a victim's employer continues to pay the victim's wages that he or she was earning at the time of the crime, the victim shall not receive any financial support for lost wages.~~

~~(5) When the director determines that a temporary total disability results in a loss of wages, the victim shall receive monthly subject to subsection (1) of this section, during the period of disability, sixty percent of the victim's monthly wage but no more than one hundred percent of the state's average monthly wage as defined in RCW 7.68.020. The minimum monthly payment shall be no less than five hundred dollars. Monthly wages shall be based upon employer wage statements, employment security records, or documents reported to and certified by the internal revenue service. Monthly wages must be determined using the actual documented monthly wage or averaging the total wages earned for up to twelve successive calendar months preceding the injury. In cases where the victim's wages and hours are fixed, they shall be determined by multiplying the daily wage the victim was receiving at the time of the injury:~~

~~(a) By five, if the victim was normally employed one day a week;~~

~~(b) By nine, if the victim was normally employed two days a week;~~

~~(c) By thirteen, if the victim was normally employed three days a week;~~

~~(d) By eighteen, if the victim was normally employed four days a week;~~

~~(e) By twenty-two, if the victim was normally employed five days a week;~~

~~(f) By twenty-six, if the victim was normally employed six days a week; or~~

~~(g) By thirty, if the victim was normally employed seven days a week.~~

~~(6) When the director determines that a permanent total disability or death results in a loss of wages, the victim or eligible spouse shall receive the monthly payments established in this subsection, not to exceed forty thousand dollars or the limits established in this chapter.~~

~~(7) If the director determines that the victim is voluntarily retired and is no longer attached to the workforce, benefits shall not be paid under this section.~~

~~(8) In the case of death, if there is no eligible spouse, benefits shall be paid to the child or children of the deceased victim. If there is no spouse or children, no payments shall be made under this section. If the spouse remarries before this~~

benefit is paid in full benefits shall be paid to the victim's child or children and the spouse shall not receive further payment. If there is no child or children no further payments will be made.

(9) The benefits for disposition of remains or burial expenses shall not exceed five thousand seven hundred fifty dollars per claim((;)) and

~~((b) An application for benefits relating to payment for burial expenses, pursuant to this subsection, must be received within twelve months of the date upon which the death of the victim is officially recognized as a homicide. If there is a delay in the recovery of remains or the release of remains for burial, application for benefits must be received within twelve months of the date of the release of the remains for burial))~~ to receive reimbursement for expenses related to the disposition of remains or burial, the department must receive an itemized statement from a provider of services within twelve months of the date upon which the death of the victim is officially recognized as a homicide. If there is a delay in the recovery of remains or the release of remains for disposition or burial, an itemized statement from a provider of services must be received within twelve months of the date of the release of the remains.

~~((5) The benefits established in RCW 51.32.060 for permanent total disability proximately caused by the criminal act shall be the benefits obtainable under this chapter, and provisions relating to payment contained in that section apply under this chapter, except that if a victim becomes permanently and totally disabled as a proximate result of the criminal act, the victim shall receive monthly during the period of the disability the following percentages, where applicable, of the average monthly wage determined as of the date of the criminal act pursuant to RCW 51.08.018:~~

~~(a) If married at the time of the criminal act, twenty-nine percent of the average monthly wage.~~

~~(b) If married with one child at the time of the criminal act, thirty-four percent of the average monthly wage.~~

~~(c) If married with two children at the time of the criminal act, thirty-eight percent of the average monthly wage.~~

~~(d) If married with three children at the time of the criminal act, forty-one percent of the average monthly wage.~~

~~(e) If married with four children at the time of the criminal act, forty-four percent of the average monthly wage.~~

~~(f) If married with five or more children at the time of the criminal act, forty-seven percent of the average monthly wage.~~

~~(g) If unmarried at the time of the criminal act, twenty-five percent of the average monthly wage.~~

~~(h) If unmarried with one child at the time of the criminal act, thirty percent of the average monthly wage.~~

~~(i) If unmarried with two children at the time of the criminal act, thirty-four percent of the average monthly wage.~~

~~(j) If unmarried with three children at the time of the criminal act, thirty-seven percent of the average monthly wage.~~

~~(k) If unmarried with four children at the time of the criminal act, forty percent of the average monthly wage.~~

~~(l) If unmarried with five or more children at the time of the criminal act, forty-three percent of the average monthly wage.~~

~~(6) The benefits established in RCW 51.32.080 for permanent partial disability shall be the benefits obtainable under this chapter, and provisions relating to payment contained in that section equally apply under this chapter, but shall not exceed seven thousand dollars per claim.~~

~~(7) The benefits established in RCW 51.32.090 for temporary total disability shall be the benefits obtainable under this chapter, and provisions relating to payment contained in that section apply under this chapter, except that no person is eligible for temporary total disability benefits under this chapter if such person was not gainfully employed at the time of the criminal act.~~

~~(8) The benefits established in RCW 51.32.095 for continuation of benefits during vocational rehabilitation shall be benefits obtainable under this chapter, and provisions relating to payment contained in that section apply under this chapter, except that benefits shall not exceed five thousand dollars for any single injury.~~

~~(9) The provisions for lump sum payment of benefits upon death or permanent total disability as contained in RCW 51.32.130 apply under this chapter.~~

~~(10) The provisions relating to payment of benefits to, for or on behalf of workers contained in RCW 51.32.040, 51.32.055, 51.32.100, 51.32.110, 51.32.120, 51.32.135, 51.32.140, 51.32.150, 51.32.160, and 51.32.210 are applicable to payment of benefits to, for or on behalf of victims under this chapter.~~

~~(11) No person or spouse, child, or dependent of such person is entitled to benefits under this chapter where the person making a claim for such benefits has refused to give reasonable cooperation to state or local law enforcement agencies in their efforts to apprehend and convict the perpetrator(s) of the criminal act which gave rise to the claim.~~

~~(12) In addition to other benefits provided under this chapter, victims of sexual assault are entitled to receive appropriate counseling. Fees for such counseling shall be determined by the department in accordance with RCW 51.04.030, subject to the limitations of RCW 7.68.080. Counseling services may include, if determined appropriate by the department, counseling of members of the victim's immediate family, other than the perpetrator of the assault.~~

~~(13) Notwithstanding other provisions of this chapter and Title 51 RCW, benefits payable for total temporary disability under subsection (7) of this section, shall be limited to fifteen thousand dollars.~~

~~(14)) (10) Any person who is responsible for the victim's injuries, or who would otherwise be unjustly enriched as a result of the victim's injuries, shall not be a beneficiary under this chapter.~~

~~((15)) (11) Crime victims' compensation is not available to pay for services covered under chapter 74.09 RCW or Title XIX of the federal social security act((, except to the extent that the costs for such services exceed service limits established by the department of social and health services or, during the 1993-95 fiscal biennium, to the extent necessary to provide matching funds for federal medicaid reimbursement)).~~

~~((16) In addition to other benefits provided under this chapter, immediate family members of a homicide victim may receive appropriate counseling to assist in dealing with the immediate, near-term consequences of the related~~

effects of the homicide. Fees for counseling shall be determined by the department in accordance with RCW 51.04.030, subject to the limitations of RCW 7.68.080. Payment of counseling benefits under this section may not be provided to the perpetrator of the homicide. The benefits under this subsection may be provided only with respect to homicides committed on or after July 1, 1992.

(17) A dependent mother, father, stepmother, or stepfather, as defined in RCW 51.08.050, who is a survivor of her or his child's homicide, who has been requested by a law enforcement agency or a prosecutor to assist in the judicial proceedings related to the death of the victim, and who is not domiciled in Washington state at the time of the request, may receive a lump sum payment upon arrival in this state. Total benefits under this subsection may not exceed seven thousand five hundred dollars. If more than one dependent parent is eligible for this benefit, the lump sum payment of seven thousand five hundred dollars shall be divided equally among the dependent parents.

~~(18))~~ (12) A victim whose crime occurred in another state who qualifies for benefits under RCW 7.68.060(~~((4))~~) (6) may receive appropriate mental health counseling to address distress arising from participation in the civil commitment proceedings. Fees for counseling shall be determined by the department in accordance with RCW 51.04.030, subject to the limitations of RCW 7.68.080.

~~((19))~~ A victim is not eligible for benefits under this act if such victim:

(a) Has been convicted of a felony offense within five years preceding the criminal act for which they are applying where the felony offense is a violent offense under RCW 9.94A.030 or a crime against persons under RCW 9.94A.411, or is convicted of such a felony offense after applying; and

(b) Has not completely satisfied all legal financial obligations owed prior to applying for benefits.)

(13) If the provisions of this title relative to compensation for injuries to or death of victims become invalid because of any adjudication, or are repealed, the period intervening between the occurrence of an injury or death, not previously compensated for under this title by lump payment or completed monthly payments, and such repeal or the rendition of the final adjudication of invalidity shall not be computed as a part of the time limited by law for the commencement of any action relating to such injury or death.

(14) The benefits established in RCW 51.32.080 for permanent partial disability will not be provided to any crime victim or for any claim submitted on or after July 1, 2011.

**Sec. 402. RCW 7.68.070 and 2010 c 289 s 6 are each amended to read as follows:*

The ~~((right to))~~ eligibility for benefits under this chapter and the amount thereof will be governed insofar as is applicable by the provisions contained in this chapter ~~((51.32 RCW except as provided in this section:))~~.

(1) ~~((The provisions contained in RCW 51.32.015, 51.32.030, 51.32.072, 51.32.073, 51.32.180, 51.32.190, and 51.32.200 are not applicable to this chapter.~~

~~((2))~~ Each victim injured as a result of a criminal act, including criminal acts committed between July 1, 1981, and January 1, 1983, or the victim's family or ~~((dependents))~~ beneficiary in case of death of the victim, are ~~((entitled to))~~ eligible for benefits in accordance with this chapter, subject to

~~the limitations under RCW 7.68.015. ((The rights, duties, responsibilities, limitations, and procedures applicable to a worker as contained in RCW 51.32.010 are applicable to this chapter.~~

~~(3)(a) The limitations contained in RCW 51.32.020 are applicable to claims under this chapter. In addition, no person or spouse, child, or dependent of such person is entitled to benefits under this chapter when the injury for which benefits are sought, was:~~

~~(i) The result of consent, provocation, or incitement by the victim, unless an injury resulting from a criminal act caused the death of the victim;~~

~~(ii) Sustained while the crime victim was engaged in the attempt to commit, or the commission of, a felony; or~~

~~(iii) Sustained while the victim was confined in any county or city jail, federal jail or prison or in any other federal institution, or any state correctional institution maintained and operated by the department of social and health services or the department of corrections, prior to release from lawful custody; or confined or living in any other institution maintained and operated by the department of social and health services or the department of corrections.~~

~~(b) A person identified as the "minor" in the charge of commercial sexual abuse of a minor under RCW 9.68A.100, promoting commercial sexual abuse of a minor under RCW 9.68A.101, or promoting travel for commercial sexual abuse of a minor under RCW 9.68A.102 is considered a victim of a criminal act for the purpose of the right to benefits under this chapter even if the person is also charged with prostitution under RCW 9A.88.030.~~

~~(4) The benefits established upon the death of a worker and contained in RCW 51.32.050 shall be the benefits obtainable under this chapter and provisions relating to payment contained in that section shall equally apply under this chapter. Benefits for burial expenses shall not exceed the amount paid by the department in case of the death of a worker as provided in chapter 51.32 RCW in any claim. If the criminal act results in the death of a victim who was not gainfully employed at the time of the criminal act, and who was not so employed for at least three consecutive months of the twelve months immediately preceding the criminal act;~~

~~(a) Benefits payable to an eligible surviving spouse, where there are no children of the victim at the time of the criminal act who have survived the victim or where such spouse has legal custody of all of his or her children, shall be limited to burial expenses and a lump sum payment of seven thousand five hundred dollars without reference to number of children, if any;~~

~~(b) Where any such spouse has legal custody of one or more but not all of such children, then such burial expenses shall be paid, and such spouse shall receive a lump sum payment of three thousand seven hundred fifty dollars and any such child or children not in the legal custody of such spouse shall receive a lump sum of three thousand seven hundred fifty dollars to be divided equally among such child or children;~~

~~(c) If any such spouse does not have legal custody of any of the children, the burial expenses shall be paid and the spouse shall receive a lump sum payment of up to three thousand seven hundred fifty dollars and any such child or children not in the legal custody of the spouse shall receive a lump~~

~~sum payment of up to three thousand seven hundred fifty dollars to be divided equally among the child or children;~~

~~(d) If no such spouse survives, then such burial expenses shall be paid, and each surviving child of the victim at the time of the criminal act shall receive a lump sum payment of three thousand seven hundred fifty dollars up to a total of two such children and where there are more than two such children the sum of seven thousand five hundred dollars shall be divided equally among such children.~~

~~No other benefits may be paid or payable under these circumstances.~~

~~(5) The benefits established in RCW 51.32.060 for permanent total disability proximately caused by the criminal act shall be the benefits obtainable under this chapter, and provisions relating to payment contained in that section apply under this chapter: PROVIDED, That if a victim becomes permanently and totally disabled as a proximate result of the criminal act and was not gainfully employed at the time of the criminal act, the victim shall receive monthly during the period of the disability the following percentages, where applicable, of the average monthly wage determined as of the date of the criminal act pursuant to RCW 51.08.018:~~

~~(a) If married at the time of the criminal act, twenty-nine percent of the average monthly wage.~~

~~(b) If married with one child at the time of the criminal act, thirty-four percent of the average monthly wage.~~

~~(c) If married with two children at the time of the criminal act, thirty-eight percent of the average monthly wage.~~

~~(d) If married with three children at the time of the criminal act, forty-one percent of the average monthly wage.~~

~~(e) If married with four children at the time of the criminal act, forty-four percent of the average monthly wage.~~

~~(f) If married with five or more children at the time of the criminal act, forty-seven percent of the average monthly wage.~~

~~(g) If unmarried at the time of the criminal act, twenty-five percent of the average monthly wage.~~

~~(h) If unmarried with one child at the time of the criminal act, thirty percent of the average monthly wage.~~

~~(i) If unmarried with two children at the time of the criminal act, thirty-four percent of the average monthly wage.~~

~~(j) If unmarried with three children at the time of the criminal act, thirty-seven percent of the average monthly wage.~~

~~(k) If unmarried with four children at the time of the criminal act, forty percent of the average monthly wage.~~

~~(l) If unmarried with five or more children at the time of the criminal act, forty-three percent of the average monthly wage.~~

~~(6) The benefits established in RCW 51.32.080 for permanent partial disability shall be the benefits obtainable under this chapter, and provisions relating to payment contained in that section equally apply under this chapter.~~

~~(7) The benefits established in RCW 51.32.090 for temporary total disability shall be the benefits obtainable under this chapter, and provisions relating to payment contained in that section apply under this chapter. No person is eligible for temporary total disability benefits under this chapter if~~

~~such person was not gainfully employed at the time of the criminal act, and was not so employed for at least three consecutive months of the twelve months immediately preceding the criminal act.~~

~~(8) The benefits established in RCW 51.32.095 for continuation of benefits during vocational rehabilitation shall be benefits obtainable under this chapter, and provisions relating to payment contained in that section apply under this chapter. Benefits shall not exceed five thousand dollars for any single injury.~~

~~(9) The provisions for lump sum payment of benefits upon death or permanent total disability as contained in RCW 51.32.130 apply under this chapter.~~

~~(10) The provisions relating to payment of benefits to, for or on behalf of workers contained in RCW 51.32.040, 51.32.055, 51.32.100, 51.32.110, 51.32.120, 51.32.135, 51.32.140, 51.32.150, 51.32.160, and 51.32.210 are applicable to payment of benefits to, for or on behalf of victims under this chapter.~~

~~(11) No person or spouse, child, or dependent of such person is entitled to benefits under this chapter where the person making a claim for such benefits has refused to give reasonable cooperation to state or local law enforcement agencies in their efforts to apprehend and convict the perpetrator(s) of the criminal act which gave rise to the claim.~~

~~(12) In addition to other benefits provided under this chapter, victims of sexual assault are entitled to receive appropriate counseling. Fees for such counseling shall be determined by the department in accordance with RCW 51.04.030, subject to the limitations of RCW 7.68.080. Counseling services may include, if determined appropriate by the department, counseling of members of the victim's immediate family, other than the perpetrator of the assault.~~

~~(13) Except for medical benefits authorized under RCW 7.68.080, no more than thirty thousand dollars shall be granted as a result of a single injury or death, except that benefits granted as the result of total permanent disability or death shall not exceed forty thousand dollars.~~

~~(14) Notwithstanding other provisions of this chapter and Title 51 RCW, benefits payable for total temporary disability under subsection (7) of this section, shall be limited to fifteen thousand dollars)) Of the entire amount paid in total per claim, nonmedical benefits shall not exceed forty thousand dollars of the entire claim. Benefits may include a combination of burial expenses, financial support for lost wages, and medical expenses.~~

~~(a) Benefits payable for temporary total disability that results in financial support for lost wages shall not exceed fifteen thousand dollars.~~

~~(b) Benefits payable for a permanent total disability or fatality that results in financial support for lost wages shall not exceed forty thousand dollars. After at least twelve monthly payments have been paid, the department shall have the sole discretion to make a final lump sum payment of the balance remaining.~~

~~(c) Benefits for disposition of remains or burial expenses shall not exceed seven thousand seven hundred dollars per claim.~~

(2) If the victim was not gainfully employed at the time of the criminal act, no financial support for lost wages will be paid to the victim or any beneficiaries.

(3) No victim or beneficiary shall receive compensation for or during the day on which the injury was received.

(4) If a victim's employer continues to pay the victim wages that he or she was earning at the time of the crime, the victim shall not receive any financial support for lost wages.

(5) When the director determines that a temporary total disability results in a loss of wages, the victim shall receive monthly subject to subsection (1) of this section, during the period of disability, sixty percent of the victim's monthly wage but no more than one hundred percent of the state's average monthly wage as defined in RCW 7.68.020. The minimum monthly payment shall be no less than five hundred dollars. Monthly wages shall be based upon employer wage statements, employment security records, or documents reported to and certified by the internal revenue service. Monthly wages must be determined using the actual documented monthly wage or averaging the total wages earned for up to twelve successive calendar months preceding the injury. In cases where the victim's wages and hours are fixed, they shall be determined by multiplying the daily wage the victim was receiving at the time of the injury:

(a) By five, if the victim was normally employed one day a week;

(b) By nine, if the victim was normally employed two days a week;

(c) By thirteen, if the victim was normally employed three days a week;

(d) By eighteen, if the victim was normally employed four days a week;

(e) By twenty-two, if the victim was normally employed five days a week;

(f) By twenty-six, if the victim was normally employed six days a week; or

(g) By thirty, if the victim was normally employed seven days a week.

(6) When the director determines that a permanent total disability or death results in a loss of wages the victim or eligible spouse shall receive the monthly payments established in this subsection, not to exceed forty thousand dollars or the limits established in this chapter.

(7) If the director determines that the victim is voluntarily retired and is no longer attached to the workforce, benefits shall not be paid under this section.

(8) In the case of death, if there is no eligible spouse, benefits shall be paid to the child or children of the deceased victim. If there is no spouse or children, no payments shall be made under this section. If the spouse remarries before this benefit is paid in full benefits shall be paid to the victim's child or children and the spouse shall not receive further payment. If there is no child or children no further payments will be made.

(9) To receive reimbursement for expenses related to the disposition of remains or burial, the department must receive an itemized statement from a provider of services within twelve months of the date upon which the death of the victim is officially recognized as a homicide. If there is a delay in the recovery of remains or the release of remains for disposition or burial, an itemized statement from a provider of services must be received within twelve months of the date of the release of the remains.

~~((15))~~ (10) Any person who is responsible for the victim's injuries, or who would otherwise be unjustly enriched as a result of the victim's injuries, shall not be a beneficiary under this chapter.

~~((16))~~ (11) Crime victims' compensation is not available to pay for services covered under chapter 74.09 RCW or Title XIX of the federal social security act (~~(except to the extent that the costs for such services exceed service limits established by the department of social and health services or, during the 1993-95 fiscal biennium, to the extent necessary to provide matching funds for federal medicaid reimbursement)~~).

~~((17))~~ In addition to other benefits provided under this chapter, immediate family members of a homicide victim may receive appropriate counseling to assist in dealing with the immediate, near-term consequences of the related effects of the homicide. Fees for counseling shall be determined by the department in accordance with RCW 51.04.030, subject to the limitations of RCW 7.68.080. Payment of counseling benefits under this section may not be provided to the perpetrator of the homicide. The benefits under this subsection may be provided only with respect to homicides committed on or after July 1, 1992.

(18) A dependent mother, father, stepmother, or stepfather, as defined in RCW 51.08.050, who is a survivor of her or his child's homicide, who has been requested by a law enforcement agency or a prosecutor to assist in the judicial proceedings related to the death of the victim, and who is not domiciled in Washington state at the time of the request, may receive a lump sum payment upon arrival in this state. Total benefits under this subsection may not exceed seven thousand five hundred dollars. If more than one dependent parent is eligible for this benefit, the lump sum payment of seven thousand five hundred dollars shall be divided equally among the dependent parents.

~~((19))~~ (12) A victim whose crime occurred in another state who qualifies for benefits under RCW 7.68.060 ~~((4))~~ (6) may receive appropriate mental health counseling to address distress arising from participation in the civil commitment proceedings. Fees for counseling shall be determined by the department in accordance with RCW 51.04.030, subject to the limitations of RCW 7.68.080.

(13) If the provisions of this title relative to compensation for injuries to or death of victims become invalid because of any adjudication, or are repealed, the period intervening between the occurrence of an injury or death, not previously compensated for under this title by lump payment or completed monthly payments, and such repeal or the rendition of the final adjudication of invalidity shall not be computed as a part of the time limited by law for the commencement of any action relating to such injury or death.

(14) Beginning July 1, 2015, applying only prospectively to criminal acts occurring on or after July 1, 2015, the benefits established in RCW 51.32.080 for permanent partial disability shall be obtainable under this chapter, and provisions relating to payment contained in that section shall equally apply under this chapter, but shall not exceed seven thousand dollars per claim.

(15) Beginning July 1, 2015, applying only prospectively to criminal acts occurring on or after July 1, 2015, the department may make payments for home or vehicle modifications solely according to the following terms and limitations:

(a) Whenever in the sole discretion of the director it is reasonable and necessary to provide residence modifications necessary to meet the needs and requirements of the victim who has sustained catastrophic injury, the department may be ordered to pay an amount not to exceed the state's average annual wage for one year as determined under RCW 50.04.355, as now existing or hereafter amended, toward the cost of such modifications or construction. Such payment shall only be made for the construction or modification of a residence in which the injured victim resides. Only one residence of any victim may be modified or constructed under this subsection, although the director may order more than one payment for any one home, up to the maximum amount permitted under RCW 7.68.070.

(b) Whenever in the sole discretion of the director it is reasonable and necessary to modify a motor vehicle owned by a victim who has become an amputee or becomes paralyzed because of a criminal act, the director may order up to fifty percent of the state's average annual wage for one year, as determined under RCW 50.04.355, to be paid by the department toward the costs thereof.

(c) In the sole discretion of the director after his or her review, the amount paid under this subsection may be increased by no more than four thousand dollars by written order of the director.

*Sec. 402 was vetoed. See message at end of chapter.

NEW SECTION. Sec. 403. (1) Benefits for permanent total disability shall be determined under the director's supervision, only after the injured victim's condition becomes fixed.

(2) All determinations of permanent total disabilities shall be made by the department. The victim may make a request or the inquiry may be initiated by the director. Determinations shall be required in every instance where permanent total disability is likely to be present.

(3) A request for determination of permanent total disability shall be examined by the department, and the department shall issue an order in accordance with RCW 51.52.050.

NEW SECTION. Sec. 404. (1) If aggravation, diminution, or termination of disability takes place, the director may, upon the application of the beneficiary, made within seven years from the date the first closing order becomes final, or at any time upon his or her own motion, readjust the rate of compensation in accordance with the rules in this section provided for the same, or in a proper case terminate the payment. The director may, upon application of the victim made at any time, provide proper and necessary medical and surgical services as authorized under section 507 of this act.

(2) "Closing order" as used in this section means an order based on factors which include medical recommendation, advice, examination, or the maximum benefit has been met.

NEW SECTION. Sec. 405. (1) For persons receiving compensation for temporary total disability pursuant to the provisions of this chapter, such compensation shall be reduced by an amount equal to the benefits payable under the federal old-age, survivors, and disability insurance act as now or hereafter amended not to exceed the amount of the reduction established pursuant to 42 U.S.C. Sec. 424a. However, such reduction shall not apply when the combined

compensation provided pursuant to this chapter and the federal old-age, survivors, and disability insurance act is less than the total benefits to which the federal reduction would apply, pursuant to 42 U.S.C. 424a. Where any person described in this section refuses to authorize the release of information concerning the amount of benefits payable under said federal act the department's estimate of said amount shall be deemed to be correct unless and until the actual amount is established and no adjustment shall be made for any period of time covered by any such refusal.

(2) Any reduction under subsection (1) of this section shall be effective the month following the month in which the department is notified by the federal social security administration that the person is receiving disability benefits under the federal old-age, survivors, and disability insurance act. In the event of an overpayment of benefits, the department may not recover more than the overpayments for the six months immediately preceding the date on which the department notifies the victim that an overpayment has occurred. Upon determining that there has been an overpayment, the department shall immediately notify the person who received the overpayment that he or she shall be required to make repayment pursuant to this section and section 702 of this act.

(3) Recovery of any overpayment must be taken from future temporary or permanent total disability benefits or permanent partial disability benefits provided by this chapter. In the case of temporary or permanent total disability benefits, the recovery shall not exceed twenty-five percent of the monthly amount due from the department or one-sixth of the total overpayment, whichever is the lesser.

(4) No reduction may be made unless the victim receives notice of the reduction prior to the month in which the reduction is made.

(5) In no event shall the reduction reduce total benefits to less than the greater amount the victim may be eligible under this chapter or the federal old-age, survivors, and disability insurance act.

(6) The director, pursuant to rules adopted in accordance with the procedures provided in the administrative procedure act, chapter 34.05 RCW, may exercise his or her discretion to waive, in whole or in part, the amount of any overpayment where the recovery would be against equity and good conscience.

(7) Subsection (1) of this section applies to:

(a) Victims under the age of sixty-two whose effective entitlement to total disability compensation begins before January 2, 1983;

(b) Victims under the age of sixty-five whose effective entitlement to total disability compensation begins after January 1, 1983; and

(c) Victims who will become sixty-five years of age on or after June 10, 2004.

(8)(a) If the federal social security administration makes a retroactive reduction in the federal social security disability benefit entitlement of a victim for periods of temporary total, temporary partial, or total permanent disability for which the department also reduced the victim's benefit amounts under this section, the department shall make adjustments in the calculation of benefits and pay the additional benefits to the victim as appropriate. However, the department shall not make changes in the calculation or pay additional benefits

unless the victim submits a written request, along with documentation satisfactory to the director of an overpayment assessment by the social security administration, to the department.

(b) Additional benefits paid under this subsection:

(i) Are paid without interest and without regard to whether the victim's claim under this chapter is closed; and

(ii) Do not affect the status or the date of the claim's closure.

(c) This subsection does not apply to requests on claims for which a determination on the request has been made and is not subject to further appeal.

NEW SECTION. Sec. 406. Victims otherwise eligible for compensation under this chapter may also claim compensation for loss of or damage to the victim's personal clothing or footwear incurred in the course of emergency medical treatment for injuries.

NEW SECTION. Sec. 407. A beneficiary shall at all times furnish the department with proof satisfactory to the director of the nature, amount, and extent of the contribution made by the deceased victim.

V. MEDICAL BENEFITS

Sec. 501. RCW 7.68.080 and 1990 c 3 s 503 are each amended to read as follows:

~~((The provisions of chapter 51.36 RCW as now or hereafter amended govern the provision of medical aid under this chapter to victims injured as a result of a criminal act, including criminal acts committed between July 1, 1981, and January 1, 1983, except that:~~

~~(1) The provisions contained in RCW 51.36.030, 51.36.040, and 51.36.080 as now or hereafter amended do not apply to this chapter;~~

~~(2) The specific provisions of RCW 51.36.020 as now or hereafter amended relating to supplying emergency transportation do not apply: PROVIDED, That:~~

~~((a)) (1) When the injury to any victim is so serious as to require the victim's being taken from the place of injury to a place of treatment, reasonable transportation costs to the nearest place of proper treatment shall be reimbursed ((from the fund established pursuant to RCW 7.68.090; and)) by the department as part of the victim's total claim under RCW 7.68.070(1).~~

~~((b)) (2) In the case of alleged rape or molestation of a child, the reasonable costs of a ((colposcope)) colposcopy examination shall be reimbursed ((from the fund pursuant to RCW 7.68.090)) by the department. Costs for a colposcopy examination given under this subsection shall not be included as part of the victim's total claim under RCW 7.68.070(1).~~

~~(3) The director shall adopt rules for fees and charges for hospital, clinic, ((and)) medical ((charges along with all related fees under this chapter shall conform to regulations promulgated by the director)), and other health care services, including fees and costs for durable medical equipment, eye glasses, hearing aids, and other medically necessary devices for crime victims under this chapter. The director shall set these service levels and fees at a level no lower than those established by the department of social and health services under Title 74 RCW. In establishing fees for medical and other health care services, the director shall consider the director's duty to purchase health care in a prudent, cost-effective manner. The director shall establish rules adopted in accordance~~

with chapter 34.05 RCW. Nothing in this chapter may be construed to require the payment of interest on any billing, fee, or charge.

(4) Whenever the director deems it necessary in order to resolve any medical issue, a victim shall submit to examination by a physician or physicians selected by the director, with the rendition of a report to the person ordering the examination. The department shall provide the physician performing an examination with all relevant medical records from the victim's claim file. The director, in his or her discretion, may charge the cost of such examination or examinations to the crime victims' compensation fund. If the examination is paid for by the victim, then the cost of said examination shall be reimbursed to the victim for reasonable costs connected with the examination as part of the victim's total claim under RCW 7.68.070(1).

(5) Victims of sexual assault are eligible to receive appropriate counseling. Fees for such counseling shall be determined by the department. Counseling services may include, if determined appropriate by the department, counseling of members of the victim's immediate family, other than the perpetrator of the assault.

(6) Immediate family members of a homicide victim may receive appropriate counseling to assist in dealing with the immediate, near-term consequences of the related effects of the homicide. Up to twelve counseling sessions may be received for one year after the crime victim's claim has been allowed. Fees for counseling shall be determined by the department in accordance with and subject to this section. Payment of counseling benefits under this section may not be provided to the perpetrator of the homicide. The benefits under this subsection may be provided only with respect to homicides committed on or after July 1, 1992.

(7) Pursuant to RCW 7.68.070(12), a victim of a sex offense that occurred outside of Washington may be eligible to receive mental health counseling related to participation in proceedings to civilly commit a perpetrator.

(8) The crime victims' compensation program shall consider payment of benefits solely for the effects of the criminal act.

(9) The legislature finds and declares it to be in the public interest of the state of Washington that a proper regulatory and inspection program be instituted in connection with the provision of any services provided to crime victims pursuant to this chapter. In order to effectively accomplish such purpose and to assure that the victim receives such services as are paid for by the state of Washington, the acceptance by the victim of such services, and the request by a provider of services for reimbursement for providing such services, shall authorize the director of the department or the director's authorized representative to inspect and audit all records in connection with the provision of such services. In the conduct of such audits or investigations, the director or the director's authorized representatives may:

(a) Examine all records, or portions thereof, including patient records, for which services were rendered by a health care provider and reimbursed by the department, notwithstanding the provisions of any other statute which may make or purport to make such records privileged or confidential, except that no original patient records shall be removed from the premises of the health care provider, and that the disclosure of any records or information obtained under authority of this section by the department is prohibited and constitutes a

violation of RCW 42.52.050, unless such disclosure is directly connected to the official duties of the department. The disclosure of patient information as required under this section shall not subject any physician, licensed advanced registered nurse practitioner, or other health care provider to any liability for breach of any confidential relationships between the provider and the patient. The director or the director's authorized representative shall destroy all copies of patient medical records in their possession upon completion of the audit, investigation, or proceedings;

(b) Approve or deny applications to participate as a provider of services furnished to crime victims pursuant to this title;

(c) Terminate or suspend eligibility to participate as a provider of services furnished to victims pursuant to this title; and

(d) Pursue collection of unpaid overpayments and/or penalties plus interest accrued from health care providers pursuant to RCW 51.32.240(6).

(10) When contracting for health care services and equipment, the department, upon request of a contractor, shall keep confidential financial and valuable trade information, which shall be exempt from public inspection and copying under chapter 42.56 RCW.

Sec. 502. RCW 7.68.085 and 2010 c 122 s 2 are each amended to read as follows:

(1) This section has no force or effect from April 1, 2010, until July 1, 2015.

(2) The director of labor and industries shall institute a cap on medical benefits of one hundred fifty thousand dollars per injury or death. ~~((Payment for medical services in excess of the cap shall be made available to any innocent victim under the same conditions as other medical services and if the medical services are:~~

~~(a) Necessary for a previously accepted condition;~~

~~(b) Necessary to protect the victim's life or prevent deterioration of the victim's previously accepted condition; and~~

~~(c) Not available from an alternative source.))~~

For the purposes of this section, an individual will not be required to use his or her assets other than funds recovered as a result of a civil action or criminal restitution, for medical expenses or pain and suffering, in order to qualify for an alternative source of payment.

The director shall, in cooperation with the department of social and health services, establish by October 1, 1989, a process to aid crime victims in identifying and applying for appropriate alternative benefit programs, if any, administered by the department of social and health services.

***Sec. 503.** RCW 7.68.085 and 2009 c 479 s 9 are each amended to read as follows:

~~(1) The director of labor and industries shall institute a cap on medical benefits of one hundred fifty thousand dollars per injury or death. ((Payment for medical services in excess of the cap shall be made available to any innocent victim under the same conditions as other medical services and if the medical services are:~~

~~(1) Necessary for a previously accepted condition;~~

~~(2) Necessary to protect the victim's life or prevent deterioration of the victim's previously accepted condition; and~~

~~(3) Not available from an alternative source.)~~

For the purposes of this section, an individual will not be required to use his or her assets other than funds recovered as a result of a civil action or criminal restitution, for medical expenses or pain and suffering, in order to qualify for an alternative source of payment.

The director shall, in cooperation with the department of social and health services, establish by October 1, 1989, a process to aid crime victims in identifying and applying for appropriate alternative benefit programs, if any, administered by the department of social and health services.

(2) This section applies prospectively only to criminal acts that occur on or after July 1, 2015.

*Sec. 503 was vetoed. See message at end of chapter.

NEW SECTION. Sec. 504. Health care professionals providing treatment or services to crime victims shall maintain all proper credentials and educational standards as required by law, and be registered with the department of health. The crime victims' compensation program does not pay for experimental or controversial treatment. Treatment shall be evidence-based and curative.

NEW SECTION. Sec. 505. The department shall examine the credentials of persons conducting special medical examinations and shall monitor the quality and objectivity of examinations and reports. The department shall adopt rules to ensure that examinations are performed only by qualified persons meeting department standards.

NEW SECTION. Sec. 506. (1) Any victim eligible to receive any benefits or claiming such under this title shall, if requested by the department submit himself or herself for medical examination, at a time and from time to time, at a place reasonably convenient for the victim as may be provided by the rules of the department. An injured victim, whether an alien or other injured victim, who is not residing in the United States at the time that a medical examination is requested may be required to submit to an examination at any location in the United States determined by the department.

(2) If the victim refuses to submit to medical examination, or obstructs the same, or, if any injured victim shall persist in unsanitary or injurious practices which tend to imperil or retard his or her recovery, or shall refuse to submit to such medical or surgical treatment as is reasonably essential to his or her recovery does not cooperate in reasonable efforts at such rehabilitation, the department may suspend any further action on any claim of such victim so long as such refusal, obstruction, noncooperation, or practice continues and thus, the department may reduce, suspend, or deny any compensation for such period. The department may not suspend any further action on any claim of a victim or reduce, suspend, or deny any compensation if a victim has good cause for refusing to submit to or to obstruct any examination, evaluation, treatment, or practice requested by the department or required under this section.

(3) If the victim necessarily incurs traveling expenses in attending the examination pursuant to the request of the department, such traveling expenses shall be repaid to him or her upon proper voucher and audit.

(4) If the medical examination required by this section causes the victim to be absent from his or her work without pay, the victim shall be paid compensation in an amount equal to his or her usual wages for the time lost from

work while attending the medical examination when the victim is insured by the department.

NEW SECTION. Sec. 507. Upon the occurrence of any injury to a victim eligible for compensation under the provisions of this chapter, he or she shall receive proper and necessary medical and surgical services using his or her private or public insurance or if no insurance, using a provider of his or her own choice. In all accepted claims, treatment shall be limited in point of duration as follows:

(1) No treatment shall be provided once the victim has received the maximum compensation under this chapter.

(2) In case of temporary disability, treatment shall not extend beyond the time when monthly allowances to him or her shall cease. After any injured victim has returned to his or her work, his or her medical and surgical treatment may be continued if, and so long as, such continuation is determined by the director to be necessary to his or her recovery, and as long as the victim has not received the maximum compensation under this chapter.

NEW SECTION. Sec. 508. Any medical provider who fails, neglects, or refuses to file a report with the director, as required by this chapter, within five days of the date of treatment, showing the condition of the injured victim at the time of treatment, a description of the treatment given, and an estimate of the probable duration of the injury, or who fails or refuses to render all necessary assistance to the injured victim, as required by this chapter, shall be subject to a civil penalty determined by the director but not to exceed two hundred fifty dollars. The amount shall be paid into the crime victims' compensation account.

VI. APPEALS

NEW SECTION. Sec. 601. (1)(a) If the victim or beneficiary in a claim prevails in an appeal by any party to the department or the court, the department shall comply with the department or court's order with respect to the payment of compensation within the later of the following time periods:

(i) Sixty days after the compensation order has become final and is not subject to review or appeal; or

(ii) If the order has become final and is not subject to review or appeal and the department has, within the period specified in (a)(i) of this subsection, requested the filing by the victim or beneficiary of documents necessary to make payment of compensation, sixty days after all requested documents are filed with the department.

The department may extend the sixty-day time period for an additional thirty days for good cause.

(b) If the department fails to comply with (a) of this subsection, any person eligible for compensation under the order may institute proceedings for injunctive or other appropriate relief for enforcement of the order. These proceedings may be instituted in the superior court for the county in which the claimant resides, or, if the claimant is not then a resident of this state, in the superior court for Thurston county.

(2) In a proceeding under this section, the court shall enforce obedience to the order by proper means, enjoining compliance upon the person obligated to comply with the compensation order. The court may issue such writs and

processes as are necessary to carry out its orders and may award a penalty of up to one thousand dollars to the person eligible for compensation under the order.

(3) A proceeding under this section does not preclude other methods of enforcement provided for in this chapter.

VII. ERRONEOUS PAYMENT DUE TO ERROR OR PAYMENT DUE TO MISREPRESENTATION

Sec. 701. RCW 7.68.125 and 1995 c 33 s 2 are each amended to read as follows:

~~(1)(a) Whenever any payment ((under this chapter is made because of clerical error, mistake of identity, innocent misrepresentation by or on behalf of the recipient thereof mistakenly acted upon, or any other circumstance of a similar nature, all not induced by fraud, the recipient thereof shall repay it and recoupment may be made from any future payments due to the recipient under this chapter. The department must make claim for such repayment or recoupment within one year of the making of any such payment or it will be deemed that any claim therefor has been waived. The department may exercise its discretion to waive, in whole or in part, the amount of any such timely claim.~~

~~(2) Whenever any payment under this chapter has been made pursuant to an adjudication by the department, board, or any court and timely appeal therefrom has been made and the final decision is that any such payment was made pursuant to an erroneous adjudication, the recipient thereof shall repay it and recoupment may be made from any future payments due to the recipient under this chapter. The department may exercise its discretion to waive, in whole or in part, the amount thereof.~~

~~(3) Whenever any payment under this chapter has been induced by fraud the recipient thereof shall repay any such payment together with a penalty of fifty percent of the total of any such payments and the amount of such total sum may be recouped from any future payments due to the recipient under this chapter and the amount of the penalty shall be placed in the fund or funds established pursuant to RCW 7.68.090.~~

~~(4) If the department issues an order contending a debt due and owing under this section, the order is subject to chapter 51.52 RCW. If the order becomes final under chapter 51.52 RCW, the director or the director's designee may file with the clerk of any county within the state a warrant in the amount stated in the order plus interest accruing from the date the order became final. The clerk of the county in which the warrant is filed shall immediately enter the warrant in the execution docket. The amount of the warrant as docketed becomes a lien upon all real and personal property of the person against whom the warrant is issued, the same as a judgment in a civil case. The warrant shall then be subject to execution, garnishment, and other procedures for the collection of judgments. The filing fee must be added to the amount of the warrant. The department shall mail a conformed copy of the warrant to the person named within seven working days of filing with the clerk.~~

~~(5)(a) The director, or the director's designee, may issue to any person or organization an order to withhold and deliver property of any kind if there is reason to believe that the person or organization possesses property that is due, owing, or belonging to any person against whom a final order of debt due and~~

~~owing has been entered. For purposes of this subsection, "person or organization" includes any individual, firm, association, corporation, political subdivision of the state, or agency of the state.~~

~~(b) The order to withhold and deliver must be served in the manner prescribed for the service of a summons in a civil action or by certified mail, return receipt requested. Any person or organization upon whom service has been made shall answer the order within twenty days exclusive of the day of service, under oath and in writing, and shall make true answers to the matters inquired of therein.~~

~~(c) If there is in the possession of the person or organization served with the order any property that might be subject to the claim of the department, the person or organization must immediately withhold such property and deliver the property to the director or the director's authorized representative immediately upon demand.~~

~~(d) If the person or organization served the order fails to timely answer the order, the court may render judgment by default against the person or organization for the full amount claimed by the director in the order plus costs.~~

~~(e) If an order to withhold and deliver is served upon an employer and the property found to be subject to the notice is wages, the employer may assert in the answer all exemptions to which the wage earner might be entitled as provided by RCW 6.27.150)) of benefits under this chapter is made because of clerical error, mistake of identity, innocent misrepresentation by or on behalf of the recipient thereof mistakenly acted upon, or any other circumstance of a similar nature, all not induced by willful misrepresentation, the recipient thereof shall repay it and recoupment may be made from any future payments due to the recipient on any claim with the crime victims' compensation program. The department must make claim for such repayment or recoupment within one year of the making of any such payment or it will be deemed any claim therefor has been waived.~~

~~(b) Except as provided in subsections (3) and (4) of this section, the department may only assess an overpayment of benefits because of adjudicator error when the order upon which the overpayment is based is not yet final as provided in RCW 51.52.050 and 51.52.060. "Adjudicator error" includes the failure to consider information in the claim file, failure to secure adequate information, or an error in judgment.~~

~~(c) The director, pursuant to rules adopted in accordance with the procedures provided in the administrative procedure act, chapter 34.05 RCW, may exercise his or her discretion to waive, in whole or in part, the amount of any such timely claim where the recovery would be against equity and good conscience.~~

~~(2) Whenever the department fails to pay benefits because of clerical error, mistake of identity, or innocent misrepresentation, all not induced by recipient willful misrepresentation, the recipient may request an adjustment of benefits to be paid from the crime victims' compensation programs subject to the following:~~

~~(a) The recipient must request an adjustment in benefits within one year from the date of the incorrect payment or it will be deemed any claim therefore has been waived.~~

~~(b) The recipient may not seek an adjustment of benefits because of adjudicator error. Adjustments due to adjudicator error are addressed by the~~

filing of a written request for reconsideration with the department or an appeal with the department within ninety days from the date the order is communicated as provided in RCW 51.52.050. "Adjudicator error" includes the failure to consider information in the claim file, failure to secure adequate information, or an error in judgment.

(3) Whenever any payment of benefits under this chapter has been made pursuant to an adjudication by the department or by order of any court and timely appeal therefrom has been made where the final decision is that any such payment was made pursuant to an erroneous adjudication, the recipient thereof shall repay it and recoupment may be made from any future payments due to the recipient on any claim.

(a) The director, pursuant to rules adopted in accordance with the procedures provided in the administrative procedure act, chapter 34.05 RCW, may exercise discretion to waive, in whole or in part, the amount of any such payments where the recovery would be against equity and good conscience.

(b) The department shall first attempt recovery of overpayments for health services from any entity that provided health insurance to the victim to the extent that the health insurance entity would have provided health insurance benefits.

(4)(a) Whenever any payment of benefits under this chapter has been induced by willful misrepresentation the recipient thereof shall repay any such payment together with a penalty of fifty percent of the total of any such payments and the amount of such total sum may be recouped from any future payments due to the recipient on any claim with the crime victims' compensation program against whom the willful misrepresentation was committed and the amount of such penalty shall be placed in the crime victims' compensation fund. Such repayment or recoupment must be demanded or ordered within three years of the discovery of the willful misrepresentation.

(b) For purposes of this subsection (4), it is willful misrepresentation for a person to obtain payments or other benefits under this chapter in an amount greater than that to which the person otherwise would be entitled. Willful misrepresentation includes:

(i) Willful false statement; or

(ii) Willful misrepresentation, omission, or concealment of any material fact.

(c) For purposes of this subsection (4), "willful" means a conscious or deliberate false statement, misrepresentation, omission, or concealment of a material fact with the specific intent of obtaining, continuing, or increasing benefits under this chapter.

(d) For purposes of this subsection (4), failure to disclose a work-type activity must be willful in order for a misrepresentation to have occurred.

(e) For purposes of this subsection (4), a material fact is one which would result in additional, increased, or continued benefits, including but not limited to facts about physical restrictions, or work-type activities which either result in wages or income or would be reasonably expected to do so. Wages or income include the receipt of any goods or services. For a work-type activity to be reasonably expected to result in wages or income, a pattern of repeated activity must exist. For those activities that would reasonably be expected to result in wages or produce income, but for which actual wage or income information cannot be reasonably determined, the department shall impute wages.

(5) The victim, beneficiary, or other person affected thereby shall have the right to contest an order assessing an overpayment pursuant to this section in the same manner and to the same extent as provided under RCW 51.52.050 and 51.52.060. In the event such an order becomes final under chapter 51.52 RCW and notwithstanding the provisions of subsections (1) through (4) of this section, the director or director's designee may file with the clerk in any county within the state a warrant in the amount of the sum representing the unpaid overpayment and/or penalty plus interest accruing from the date the order became final. The clerk of the county in which the warrant is filed shall immediately designate a superior court cause number for such warrant and the clerk shall cause to be entered in the judgment docket under the superior court cause number assigned to the warrant, the name of the victim, beneficiary, or other person mentioned in the warrant, the amount of the unpaid overpayment and/or penalty plus interest accrued, and the date the warrant was filed. The amount of the warrant as docketed shall become a lien upon the title to and interest in all real and personal property of the victim, beneficiary, or other person against whom the warrant is issued, the same as a judgment in a civil case docketed in the office of such clerk. The sheriff shall then proceed in the same manner and with like effect as prescribed by law with respect to execution or other process issued against rights or property upon judgment in the superior court. Such warrant so docketed shall be sufficient to support the issuance of writs of garnishment in favor of the department in the manner provided by law in the case of judgment, wholly or partially unsatisfied. The clerk of the court shall be entitled to a filing fee under RCW 36.18.012(10), which shall be added to the amount of the warrant. A copy of such warrant shall be mailed to the victim, beneficiary, or other person within three days of filing with the clerk.

The director or director's designee may issue to any person, firm, corporation, municipal corporation, political subdivision of the state, public corporation, or agency of the state, a notice to withhold and deliver property of any kind if there is reason to believe that there is in the possession of such person, firm, corporation, municipal corporation, political subdivision of the state, public corporation, or agency of the state, property that is due, owing, or belonging to any victim, beneficiary, or other person upon whom a warrant has been served for payments due the department. The notice and order to withhold and deliver shall be served by certified mail accompanied by an affidavit of service by mailing or served by the sheriff of the county, or by the sheriff's deputy, or by any authorized representative of the director or director's designee, or by electronic means or other methods authorized by law. Any person, firm, corporation, municipal corporation, political subdivision of the state, public corporation, or agency of the state upon whom service has been made shall answer the notice within twenty days exclusive of the day of service, under oath and in writing, and shall make true answers to the matters inquired or in the notice and order to withhold and deliver. In the event there is in the possession of the party named and served with such notice and order, any property that may be subject to the claim of the department, such property shall be delivered forthwith to the director or the director's authorized representative upon demand. If the party served and named in the notice and order fails to answer the notice and order within the time prescribed in this section, the court may, after the time to answer such order has expired, render judgment by default against the party

named in the notice for the full amount, plus costs, claimed by the director or the director's designee in the notice. In the event that a notice to withhold and deliver is served upon an employer and the property found to be subject thereto is wages, the employer may assert in the answer all exemptions provided for by chapter 6.27 RCW to which the wage earner may be entitled.

This subsection shall only apply to orders assessing an overpayment which are issued on or after July 28, 1991. This subsection shall apply retroactively to all orders assessing an overpayment resulting from willful misrepresentation, civil or criminal.

(6) Orders assessing an overpayment which are issued on or after July 28, 1991, shall include a conspicuous notice of the collection methods available to the department.

NEW SECTION. Sec. 702. Notwithstanding any other provisions of law, any overpayments previously recovered under the provisions of section 405 of this act as now or hereafter amended shall be limited to six months' overpayments. Where greater recovery has already been made, the director, in his or her discretion, may make restitution in those cases where an extraordinary hardship has been created.

Sec. 703. RCW 7.68.130 and 1995 c 33 s 3 are each amended to read as follows:

(1) Benefits payable pursuant to this chapter shall be reduced by the amount of any other public or private insurance available, less a proportionate share of reasonable attorneys' fees and costs, if any, incurred by the victim in obtaining recovery from the insurer. Calculation of a proportionate share of attorneys' fees and costs shall be made under the formula established in RCW ~~((51.24.060))~~ 7.68.050 (9) through (14). The department or the victim may require court approval of costs and attorneys' fees or may petition a court for determination of the reasonableness of costs and attorneys' fees.

(2) Benefits payable after 1980 to victims injured or killed before 1980 shall be reduced by any other public or private insurance including but not limited to social security.

(3) Payment by the department under this chapter shall be secondary to other insurance benefits, notwithstanding the provision of any contract or coverage to the contrary. In the case of private life insurance proceeds, the first forty thousand dollars of the proceeds shall not be considered for purposes of any reduction in benefits.

(4) If the department determines that a victim is likely to be eligible for other public insurance or support services, the department may require the applicant to apply for such services before awarding benefits under RCW 7.68.070. If the department determines that a victim shall apply for such services and the victim refuses or does not apply for those services, the department may deny any further benefits under this chapter. The department may require an applicant to provide a copy of their determination of eligibility before providing benefits under this chapter.

(5) Before payment of benefits will be considered victims shall use their private insurance coverage.

(6) For the purposes of this section, the collection methods available under RCW 7.68.125~~((4))~~ (5) apply.

Sec. 704. RCW 7.68.050 and 1998 c 91 s 1 are each amended to read as follows:

(1) No right of action at law for damages incurred as a consequence of a criminal act shall be lost as a consequence of being entitled to benefits under the provisions of this chapter. The victim or his beneficiary may elect to seek damages from the person or persons liable for the claimed injury or death, and such victim or beneficiary is entitled to the full compensation and benefits provided by this chapter regardless of any election or recovery made pursuant to this section.

(2) For the purposes of this section, the rights, privileges, responsibilities, duties, limitations, and procedures contained in ~~((RCW 51.24.050 through 51.24.110))~~ subsections (3) through (25) of this section apply.

~~(3) ((If the recovery involved is against the state, the lien of the department includes the interest on the benefits paid by the department to or on behalf of such person under this chapter computed at the rate of eight percent per annum from the date of payment.))~~ (a) If a third person is or may become liable to pay damages on account of a victim's injury for which benefits and compensation are provided under this chapter, the injured victim or beneficiary may elect to seek damages from the third person.

(b) In every action brought under this section, the plaintiff shall give notice to the department when the action is filed. The department may file a notice of statutory interest in recovery. When such notice has been filed by the department, the parties shall thereafter serve copies of all notices, motions, pleadings, and other process on the department. The department may then intervene as a party in the action to protect its statutory interest in recovery.

(c) For the purposes of this subsection, "injury" includes any physical or mental condition, disease, ailment, or loss, including death, for which compensation and benefits are paid or payable under this chapter.

(d) For the purposes of this chapter, "recovery" includes all damages and insurance benefits, including life insurance, paid in connection with the victim's injuries or death.

(4) An election not to proceed against the third person operates as an assignment of the cause of action to the department, which may prosecute or compromise the action in its discretion in the name of the victim, beneficiary, or legal representative.

(5) If an injury to a victim results in the victim's death, the department to which the cause of action has been assigned may petition a court for the appointment of a special personal representative for the limited purpose of maintaining an action under this chapter and chapter 4.20 RCW.

(6) If a beneficiary is a minor child, an election not to proceed against a third person on such beneficiary's cause of action may be exercised by the beneficiary's legal custodian or guardian.

(7) Any recovery made by the department shall be distributed as follows:

(a) The department shall be paid the expenses incurred in making the recovery including reasonable costs of legal services;

(b) The victim or beneficiary shall be paid twenty-five percent of the balance of the recovery made, which shall not be subject to subsection (8) of this section, except that in the event of a compromise and settlement by the parties, the victim or beneficiary may agree to a sum less than twenty-five percent;

(c) The department shall be paid the amount paid to or on behalf of the victim or beneficiary by the department; and

(d) The victim or beneficiary shall be paid any remaining balance.

(8) Thereafter no payment shall be made to or on behalf of a victim or beneficiary by the department for such injury until any further amount payable shall equal any such remaining balance. Thereafter, such benefits shall be paid by the department to or on behalf of the victim or beneficiary as though no recovery had been made from a third person.

(9) If the victim or beneficiary elects to seek damages from the third person, any recovery made shall be distributed as follows:

(a) The costs and reasonable attorneys' fees shall be paid proportionately by the victim or beneficiary and the department. The department may require court approval of costs and attorneys' fees or may petition a court for determination of the reasonableness of costs and attorneys' fees;

(b) The victim or beneficiary shall be paid twenty-five percent of the balance of the award, except that in the event of a compromise and settlement by the parties, the victim or beneficiary may agree to a sum less than twenty-five percent;

(c) The department shall be paid the balance of the recovery made, but only to the extent necessary to reimburse the department for the amount paid;

(i) The department shall bear its proportionate share of the costs and reasonable attorneys' fees incurred by the victim or beneficiary to the extent of the benefits paid under this title. The department's proportionate share shall not exceed one hundred percent of the costs and reasonable attorneys' fees;

(ii) The department's proportionate share of the costs and reasonable attorneys' fees shall be determined by dividing the gross recovery amount into the benefits paid amount and multiplying this percentage times the costs and reasonable attorneys' fees incurred by the victim or beneficiary;

(iii) The department's reimbursement share shall be determined by subtracting their proportionate share of the costs and reasonable attorneys' fees from the benefits paid amount;

(d) Any remaining balance shall be paid to the victim or beneficiary; and

(e) Thereafter no payment shall be made to or on behalf of a victim or beneficiary by the department for such injury until the amount of any further amount payable shall equal any such remaining balance minus the department's proportionate share of the costs and reasonable attorneys' fees in regards to the remaining balance. This proportionate share shall be determined by dividing the gross recovery amount into the remaining balance amount and multiplying this percentage times the costs and reasonable attorneys' fees incurred by the victim or beneficiary. Thereafter, such benefits shall be paid by the department to or on behalf of the victim or beneficiary as though no recovery had been made from a third person.

(10) The recovery made shall be subject to a lien by the department for its share under this section. Notwithstanding RCW 48.18.410, a recovery made from life insurance shall be subject to a lien by the department.

(11) The department has sole discretion to compromise the amount of its lien. In deciding whether or to what extent to compromise its lien, the department shall consider at least the following:

(a) The likelihood of collection of the award or settlement as may be affected by insurance coverage, solvency, or other factors relating to the third person;

(b) Factual and legal issues of liability as between the victim or beneficiary and the third person. Such issues include but are not limited to possible contributory negligence and novel theories of liability; and

(c) Problems of proof faced in obtaining the award or settlement.

(12) It shall be the duty of the person to whom any recovery is paid before distribution under this section to advise the department of the fact and amount of such recovery, the costs and reasonable attorneys' fees associated with the recovery, and to distribute the recovery in compliance with this section.

(13) The distribution of any recovery made by award or settlement of the third party action shall be confirmed by department order, served by electronic, registered or certified mail, and shall be subject to chapter 51.52 RCW. In the event the order of distribution becomes final under chapter 51.52 RCW, the director or the director's designee may file with the clerk of any county within the state a warrant in the amount of the sum representing the unpaid lien plus interest accruing from the date the order became final. The clerk of the county in which the warrant is filed shall immediately designate a superior court cause number for such warrant and the clerk shall cause to be entered in the judgment docket under the superior court cause number assigned to the warrant, the name of such victim or beneficiary mentioned in the warrant, the amount of the unpaid lien plus interest accrued and the date when the warrant was filed. The amount of such warrant as docketed shall become a lien upon the title to and interest in all real and personal property of the victim or beneficiary against whom the warrant is issued, the same as a judgment in a civil case docketed in the office of such clerk. The sheriff shall then proceed in the same manner and with like effect as prescribed by law with respect to execution or other process issued against rights or property upon judgment in the superior court. Such warrant so docketed shall be sufficient to support the issuance of writs of garnishment in favor of the department in the manner provided by law in the case of judgment, wholly or partially unsatisfied. The clerk of the court shall be entitled to a filing fee under RCW 36.18.012(10), which shall be added to the amount of the warrant. A copy of such warrant shall be mailed to the victim or beneficiary within three days of filing with the clerk.

(14) The director, or the director's designee, may issue to any person, firm, corporation, municipal corporation, political subdivision of the state, public corporation, or agency of the state, a notice and order to withhold and deliver property of any kind if he or she has reason to believe that there is in the possession of such person, firm, corporation, municipal corporation, political subdivision of the state, public corporation, or agency of the state, property which is due, owing, or belonging to any victim or beneficiary upon whom a warrant has been served by the department for payments due to the crime victims' compensation program. The notice and order to withhold and deliver shall be served by the sheriff of the county or by the sheriff's deputy; by certified mail, return receipt requested; or by any authorized representatives of the director. Any person, firm, corporation, municipal corporation, political subdivision of the state, public corporation, or agency of the state upon whom service has been made shall answer the notice within twenty days exclusive of

the day of service, under oath and in writing, and shall make true answers to the matters inquired of in the notice and order to withhold and deliver. In the event there is in the possession of the party named and served with such notice and order, any property which may be subject to the claim of the department, such property shall be delivered forthwith to the director or the director's authorized representative upon demand. If the party served and named in the notice and order fails to answer the notice and order within the time prescribed in this section, the court may, after the time to answer such order has expired, render judgment by default against the party named in the notice for the full amount claimed by the director in the notice together with costs. In the event that a notice to withhold and deliver is served upon an employer and the property found to be subject thereto is wages, the employer may assert in the answer to all exemptions provided for by chapter 6.27 RCW to which the wage earner may be entitled.

(15) The department may require the victim or beneficiary to exercise the right of election under this chapter by serving a written demand by electronic mail, registered mail, certified mail, or personal service on the victim or beneficiary.

(16) Unless an election is made within sixty days of the receipt of the demand, and unless an action is instituted or settled within the time granted by the department, the victim or beneficiary is deemed to have assigned the action to the department. The department shall allow the victim or beneficiary at least ninety days from the election to institute or settle the action. When a beneficiary is a minor child the demand shall be served upon the legal custodian or guardian of such beneficiary.

(17) If an action which has been filed is not diligently prosecuted, the department may petition the court in which the action is pending for an order assigning the cause of action to the department. Upon a sufficient showing of a lack of diligent prosecution the court in its discretion may issue the order.

(18) If the department has taken an assignment of the third party cause of action under subsection (16) of this section, the victim or beneficiary may, at the discretion of the department, exercise a right of reelection and assume the cause of action subject to reimbursement of litigation expenses incurred by the department.

(19) If the victim or beneficiary elects to seek damages from the third person, notice of the election must be given to the department. The notice shall be by registered mail, certified mail, or personal service. If an action is filed by the victim or beneficiary, a copy of the complaint must be sent by registered mail to the department.

(20) A return showing service of the notice on the department shall be filed with the court but shall not be part of the record except as necessary to give notice to the defendant of the lien imposed by subsection (10) of this section.

(21) Any compromise or settlement of the third party cause of action by the victim or beneficiary which results in less than the entitlement under this title is void unless made with the written approval of the department. For the purposes of this chapter, "entitlement" means benefits and compensation paid and estimated by the department to be paid in the future.

(22) If a compromise or settlement is void because of subsection (21) of this section, the department may petition the court in which the action was filed for

an order assigning the cause of action to the department. If an action has not been filed, the department may proceed as provided in chapter 7.24 RCW.

(23) The fact that the victim or beneficiary is entitled to compensation under this title shall not be pleaded or admissible in evidence in any third-party action under this chapter. Any challenge of the right to bring such action shall be made by supplemental pleadings only and shall be decided by the court as a matter of law.

(24) Actions against third persons that are assigned by the claimant to the department, voluntarily or by operation of law in accordance with this chapter, may be prosecuted by special assistant attorneys general.

(25) The attorney general shall select special assistant attorneys general from a list compiled by the department and the Washington state bar association. The attorney general, in conjunction with the department and the Washington state bar association, shall adopt rules and regulations outlining the criteria and the procedure by which private attorneys may have their names placed on the list of attorneys available for appointment as special assistant attorneys general to litigate third-party actions under subsection (24) of this section.

(26) The 1980 amendments to this section apply only to injuries which occur on or after April 1, 1980.

VIII. MISCELLANEOUS

NEW SECTION. Sec. 801. RCW 7.68.100 (Physicians' reporting) and 1973 1st ex.s. c 122 s 10 are each repealed.

NEW SECTION. Sec. 802. This act applies retroactively for claims of victims of criminal acts that occurred on or after July 1, 1981, in which a closing order has not been issued or become final and binding as of July 1, 2011, except that victims receiving time loss or loss of support on or before July 1, 2011, may continue to receive time loss at the rate established prior to July 1, 2011. Aggravation applications filed by crime victims who had claims prior to July 1, 2011, will be adjudicated under the laws in effect on or after the effective date of this section. This act does not affect the retroactive application of chapter 122, Laws of 2010.

NEW SECTION. Sec. 803. Sections 201 through 205, 302 through 307, 403 through 407, 504 through 508, 601, and 702 of this act are each added to chapter 7.68 RCW.

**NEW SECTION. Sec. 804. Sections 401 and 502 of this act expire July 1, 2015.*

**Sec. 804 was vetoed. See message at end of chapter.*

**NEW SECTION. Sec. 805. Sections 402 and 503 of this act take effect July 1, 2015.*

**Sec. 805 was vetoed. See message at end of chapter.*

NEW SECTION. Sec. 806. Except for sections 402 and 503 of this act, this act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and takes effect July 1, 2011.

Passed by the Senate April 21, 2011.

Passed by the House April 7, 2011.

Approved by the Governor May 12, 2011, with the exception of certain items that were vetoed.

Filed in Office of Secretary of State May 13, 2011.

Note: Governor's explanation of partial veto is as follows:

"I am returning herewith, without my approval as to Sections 402, 503, 804 and 805, Substitute Senate Bill 5691 entitled:

"AN ACT Relating to crime victims' compensation."

With this bill, the Legislature has taken important steps to ensure the sustainability of our Crime Victims' Compensation program. Administrative efficiencies, coupled with painful but necessary benefit reductions, will allow the program to maintain its viability for the foreseeable future. However, only temporarily reducing these benefits will only temporarily strengthen the Crime Victims' Compensation program. An increase in crime victims' benefits is a discussion that should occur if and when state revenues improve, but not before that time.

For these reasons, I have vetoed Sections 402, 503, 804 and 805 of Substitute Senate Bill 5691.

With the exception of Sections 402, 503, 804 and 805, Substitute Senate Bill 5691 is approved."

CHAPTER 347

[Substitute Senate Bill 5722]

MENTAL HEALTH AND CHEMICAL DEPENDENCY TREATMENT— THERAPEUTIC COURTS—FUNDING

AN ACT Relating to the use of moneys collected from the local option sales tax to support chemical dependency or mental health treatment programs and therapeutic courts; and amending RCW 82.14.460.

Be it enacted by the Legislature of the State of Washington:

Sec. 1. RCW 82.14.460 and 2010 c 127 s 2 are each amended to read as follows:

(1)(a) A county legislative authority may authorize, fix, and impose a sales and use tax in accordance with the terms of this chapter.

(b) If a county with a population over eight hundred thousand has not imposed the tax authorized under this subsection by January 1, 2011, any city with a population over thirty thousand located in that county may authorize, fix, and impose the sales and use tax in accordance with the terms of this chapter. The county must provide a credit against its tax for the full amount of tax imposed under this subsection (1)(b) by any city located in that county if the county imposes the tax after January 1, 2011.

(2) The tax authorized in this section is in addition to any other taxes authorized by law and must be collected from those persons who are taxable by the state under chapters 82.08 and 82.12 RCW upon the occurrence of any taxable event within the county for a county's tax and within a city for a city's tax. The rate of tax equals one-tenth of one percent of the selling price in the case of a sales tax, or value of the article used, in the case of a use tax.

(3) Moneys collected under this section must be used solely for the purpose of providing for the operation or delivery of chemical dependency or mental health treatment programs and services and for the operation or delivery of therapeutic court programs and services. For the purposes of this section, "programs and services" includes, but is not limited to, treatment services, case

management, and housing that are a component of a coordinated chemical dependency or mental health treatment program or service.

(4) All moneys collected under this section must be used solely for the purpose of providing new or expanded programs and services as provided in this section, except ~~((a portion of moneys collected under this section may be used to supplant existing funding for these purposes in any county or city as follows: Up to fifty percent may be used to supplant existing funding in calendar year 2010; up to forty percent may be used to supplant existing funding in calendar year 2011; up to thirty percent may be used to supplant existing funding in calendar year 2012; up to twenty percent may be used to supplant existing funding in calendar year 2013; and up to ten percent may be used to supplant existing funding in calendar year 2014))~~ as follows:

(a) For a county with a population larger than twenty-five thousand or a city with a population over thirty thousand, a portion of moneys collected under this section may be used to supplant existing funding for these purposes as follows: Up to fifty percent may be used to supplant existing funding in calendar years 2011-2012; up to forty percent may be used to supplant existing funding in calendar year 2013; up to thirty percent may be used to supplant existing funding in calendar year 2014; up to twenty percent may be used to supplant existing funding in calendar year 2015; and up to ten percent may be used to supplant existing funding in calendar year 2016;

(b) For a county with a population of less than twenty-five thousand, a portion of moneys collected under this section may be used to supplant existing funding for these purposes as follows: Up to eighty percent may be used to supplant existing funding in calendar years 2011-2012; up to sixty percent may be used to supplant existing funding in calendar year 2013; up to forty percent may be used to supplant existing funding in calendar year 2014; up to twenty percent may be used to supplant existing funding in calendar year 2015; and up to ten percent may be used to supplant existing funding in calendar year 2016; and

(c) Notwithstanding (a) and (b) of this subsection, moneys collected under this section may be used to support the cost of the judicial officer and support staff of a therapeutic court.

(5) Nothing in this section may be interpreted to prohibit the use of moneys collected under this section for the replacement of lapsed federal funding previously provided for the operation or delivery of services and programs as provided in this section.

Passed by the Senate April 21, 2011.

Passed by the House April 9, 2011.

Approved by the Governor May 12, 2011.

Filed in Office of Secretary of State May 13, 2011.

CHAPTER 348

[House Bill 1000]

OVERSEAS AND SERVICE VOTERS

AN ACT Relating to overseas and service voters; and amending RCW 29A.04.255, 29A.40.070, 29A.40.091, and 29A.40.110.

Be it enacted by the Legislature of the State of Washington:

Sec. 1. RCW 29A.04.255 and 2004 c 266 s 5 are each amended to read as follows:

The secretary of state or a county auditor shall accept and file in his or her office electronic (~~faesimile~~) transmissions of the following documents:

- (1) Declarations of candidacy;
- (2) County canvass reports;
- (3) Voters' pamphlet statements;
- (4) Arguments for and against ballot measures that will appear in a voters' pamphlet;
- (5) Requests for recounts;
- (6) Certification of candidates and measures by the secretary of state;
- (7) Direction by the secretary of state for the conduct of a (~~mandatory~~) recount;
- (8) Requests for (~~absentee~~) ballots;
- (9) Any other election related document authorized by rule adopted by the secretary of state under RCW (~~29A.04.610~~) 29A.04.611.

The acceptance by the secretary of state or the county auditor is conditional upon the document being filed in a timely manner, being legible, and otherwise satisfying the requirements of state law or rules with respect to form and content.

~~(If the original copy of a document must be signed and a copy of the document is filed by faesimile transmission under this section, the original copy must be subsequently filed with the official with whom the faesimile was filed. The original copy must be filed by a deadline established by the secretary by rule.)~~ The secretary may by rule require that the original of any document, a copy of which is filed by (~~faesimile~~) electronic transmission under this section, also be filed by a deadline established by the secretary by rule.

***Sec. 2.** RCW 29A.40.070 and 2006 c 344 s 13 are each amended to read as follows:

~~(1) Except where a recount or litigation (~~under RCW 29A.68.011~~) is pending, the county auditor (~~shall have sufficient absentee ballots available for absentee voters of that county, other than overseas voters and service voters, at least twenty days before any primary, general election, or special election. The county auditor~~) must mail (~~absentee~~) ballots to each voter (~~for whom the county auditor has received a request nineteen days before the primary or election~~) at least eighteen days before (~~the~~) each primary or election, and as soon as possible for all subsequent registration changes. (~~For a request for an absentee ballot received after the nineteenth day before the primary or election, the county auditor shall make every effort to mail ballots within one business day, and shall mail the ballots within two business days~~).~~

~~(2) (~~At least thirty days before any primary, general election, or special election, the county auditor shall mail ballots to all overseas and service voters.~~) Except where a recount or litigation is pending, the county auditor must mail ballots to each service and overseas voter at least thirty days before each special election and at least forty-five days before each primary or general election. A request for a ballot made by an overseas or service voter after that day must be processed immediately.~~

~~(3) A registered voter may obtain a replacement ballot if the ballot is destroyed, spoiled, lost, or not received by the voter. The voter may obtain the~~

ballot by telephone request, by mail, electronically, or in person. The county auditor shall keep a record of each request for a replacement ballot.

(4) Each county auditor shall certify to the office of the secretary of state the dates the ballots (~~prescribed in subsection (1) of this section were available and~~) were mailed, or the reason and date the ballots will be mailed if the ballots were not mailed timely.

~~((4) If absentee ballots will not be available or mailed as prescribed in subsection (1) of this section, the county auditor shall immediately certify to the office of the secretary of state when absentee ballots will be available and mailed. Copies of this certification must be provided to the county canvassing board, the press, jurisdictions with issues on the ballot in the election, and any candidates.~~

~~(5) If absentee ballots were not available or mailed as prescribed in subsection (1) of this section, for a reason other than a recount or litigation, the county auditor, in consultation with the certification and training program of the office of the secretary of state, shall submit a report to the office of the secretary of state outlining why the deadline was missed and what corrective actions will be taken in future elections to ensure that absentee ballots are available and mailed as prescribed in subsection (1) of this section.~~

~~(6)) Failure to (~~have absentee ballots available and mailed~~) mail ballots as prescribed in (~~subsection (1) of~~) this section does not by itself provide a basis for an election contest or other legal challenge to the results of a primary, general election, or special election.~~

*Sec. 2 was vetoed. See message at end of chapter.

Sec. 3. RCW 29A.40.091 and 2010 c 125 s 1 are each amended to read as follows:

(1) The county auditor shall send each voter a ballot, a security envelope in which to seal the ballot after voting, a larger envelope in which to return the security envelope, a declaration that the voter must sign, and instructions on how to obtain information about the election, how to mark the ballot, and how to return ~~((#))~~ the ballot to the county auditor.

(2) The ~~((instructions that accompany a ballot for a partisan primary must include instructions for voting the applicable ballot style, as provided in chapter 29A.36 RCW. The voter's name and address must be printed on the larger return envelope, which must also contain a declaration by the voter reciting his or her qualifications and stating that he or she))~~ voter must swear under penalty of perjury that he or she meets the qualifications to vote, and has not voted in any other jurisdiction at this election~~((, together with a summary of the penalties for any violation of any of the provisions of this chapter)).~~ The declaration must clearly inform the voter that it is illegal to vote if he or she is not a United States citizen; it is illegal to vote if he or she has been convicted of a felony and has not had his or her voting rights restored; and~~((, except as otherwise provided by law,))~~ it is illegal to cast a ballot or sign a return envelope on behalf of another voter. The ~~((return envelope must provide space for the))~~ voter ~~((to))~~ must indicate the date on which the ballot was voted and ~~((for the voter to))~~ sign the ~~((oath))~~ declaration. ~~((#))~~ The ballot materials must also contain a space so that the voter may include a telephone number. ~~((A summary of the applicable penalty provisions of this chapter must be printed on the return envelope immediately adjacent to the space for the voter's signature. The signature of the~~

~~voter on the return envelope must affirm and attest to the statements regarding the qualifications of that voter and to the validity of the ballot. The return envelope may provide secrecy for the voter's signature and optional telephone number.)~~

~~(3) For overseas and service voters, the signed declaration on the return envelope constitutes the equivalent of a voter registration for the election or primary for which the ballot has been issued. Return envelopes for overseas and service voters must enable the ballot to be returned postage free if mailed through the United States postal service, United States armed forces postal service, or the postal service of a United States foreign embassy under 39 U.S.C. 3406.~~

~~(4) The voter must be instructed to either return the ballot to the county auditor ~~((by whom it was issued))~~ no later than 8:00 p.m. the day of the election or primary, or ~~((attach sufficient first-class postage, if applicable, and))~~ mail the ballot to the ~~((appropriate))~~ county auditor with a postmark no later than the day of the election or primary ~~((for which the ballot was issued.~~~~

~~If the county auditor chooses to forward ballots, he or she must include with the ballot a clear explanation of the qualifications necessary to vote in that election and must also advise a voter with questions about his or her eligibility to contact the county auditor. This explanation may be provided on the ballot envelope, on an enclosed insert, or printed directly on the ballot itself. If the information is not included, the envelope must clearly indicate that the ballot is not to be forwarded and that return postage is guaranteed). Service and overseas voters must be provided with instructions and a secrecy cover sheet for returning the ballot and signed declaration by fax or e-mail. A voted ballot and signed declaration returned by fax or e-mail must be received by 8:00 p.m. on the day of the election or primary.~~

Sec. 4. RCW 29A.40.110 and 2009 c 369 s 40 are each amended to read as follows:

(1) The opening and subsequent processing of return envelopes for any primary or election may begin upon receipt. The tabulation of absentee ballots must not commence until after 8:00 p.m. on the day of the primary or election.

(2) All received ~~((absentee))~~ return envelopes must be placed in secure locations from the time of delivery to the county auditor until their subsequent opening. After opening the return envelopes, the county canvassing board shall place all of the ballots in secure storage until ~~((after 8:00 p.m. of the day of the primary or election))~~ processing. ~~((Absentee ballots that are to be tabulated on an electronic vote tallying system))~~ Ballots may be taken from the inner envelopes and all the normal procedural steps may be performed to prepare these ballots for tabulation.

(3) ~~((Before opening a returned absentee ballot,))~~ The canvassing board, or its designated representatives, shall examine the postmark~~((-statement,))~~ on the return envelope and signature on the ~~((return envelope that contains the security envelope and absentee ballot))~~ declaration before processing the ballot. The ballot must either be received no later than 8:00 p.m. on the day of the primary or election, or must be postmarked no later than the day of the primary or election. All personnel assigned to verify signatures must receive training on statewide standards for signature verification. Personnel shall verify that the voter's signature on the ~~((return envelope))~~ ballot declaration is the same as the

signature of that voter in the registration files of the county. Verification may be conducted by an automated verification system approved by the secretary of state. ~~((For any absentee ballot,))~~ Δ variation between the signature of the voter on the ~~((return envelope))~~ ballot declaration and the signature of that voter in the registration files due to the substitution of initials or the use of common nicknames is permitted so long as the surname and handwriting are clearly the same.

(4) ~~((For registered voters casting absentee ballots))~~ If the postmark is missing or illegible, the date on the ((return envelope)) ballot declaration to which the voter has attested determines the validity, as to the time of voting, for that ((absentee)) ballot ((if the postmark is missing or is illegible)). For overseas voters and service voters, the date on the ((return envelope)) declaration to which the voter has attested determines the validity, as to the time of voting, for that ((absentee)) ballot. Any overseas voter or service voter may return the signed declaration and voted ballot by fax or e-mail by 8:00 p.m. on the day of the primary or election, and the county auditor must use established procedures to maintain the secrecy of the ballot.

Passed by the House April 15, 2011.

Passed by the Senate April 12, 2011.

Approved by the Governor May 16, 2011, with the exception of certain items that were vetoed.

Filed in Office of Secretary of State May 17, 2011.

Note: Governor's explanation of partial veto is as follows:

"I am returning herewith, without my approval as to Section 2, House Bill 1000 entitled:

"AN ACT Relating to overseas and service voters."

I am vetoing Section 2 of House Bill 1000 because another bill I am signing today amends the same statute regarding the date ballots are mailed to military and overseas voters. Section 16 of Second Engrossed Substitute Senate Bill 5171 contains the same amendment to this statute. Each of these amendments to the statute takes effect on a different date. House Bill 1000 takes effect ninety days after the end of session, whereas Section 16 of Second Engrossed Substitute Senate Bill 5171 takes effect January 1, 2012. The Secretary of State has stated that the statutory amendment should take effect in 2012 to correspond with other election date changes in Second Engrossed Substitute Senate Bill 5171.

For this reason I have vetoed Section 2 of House Bill 1000.

With the exception of Section 2, House Bill 1000 is approved."

CHAPTER 349

[Second Engrossed Substitute Senate Bill 5171]

OVERSEAS AND SERVICE VOTERS—FACILITATION

AN ACT Relating to facilitating voting for service and overseas voters; amending RCW 29A.04.255, 29A.04.311, 29A.04.321, 29A.16.040, 29A.24.040, 29A.24.050, 29A.24.131, 29A.24.141, 29A.24.171, 29A.24.181, 29A.24.191, 29A.24.311, 29A.28.041, 29A.40.070, 29A.40.091, 29A.40.110, 29A.56.030, 29A.60.190, 29A.60.190, 29A.60.240, 29A.64.011, 29A.64.030, 29A.68.011, 29A.76.010, and 42.12.070; reenacting and amending RCW 29A.04.330, 29A.36.010, and 42.12.040; repealing RCW 29A.04.310, 29A.24.151, 29A.24.161, 29A.36.011, 29A.40.150, 29A.24.010, and 29A.24.211; prescribing penalties; providing effective dates; providing an expiration date; and declaring an emergency.

Be it enacted by the Legislature of the State of Washington:

Sec. 1. RCW 29A.04.255 and 2004 c 266 s 5 are each amended to read as follows:

The secretary of state or a county auditor shall accept and file in his or her office electronic (~~faecsimile~~) transmissions of the following documents:

- (1) Declarations of candidacy;
- (2) County canvass reports;
- (3) Voters' pamphlet statements;
- (4) Arguments for and against ballot measures that will appear in a voters' pamphlet;
- (5) Requests for recounts;
- (6) Certification of candidates and measures by the secretary of state;
- (7) Direction by the secretary of state for the conduct of a (~~mandatory~~) recount;
- (8) Requests for (~~absentee~~) ballots;
- (9) Any other election related document authorized by rule adopted by the secretary of state under RCW (~~29A.04.610~~) 29A.04.611.

The acceptance by the secretary of state or the county auditor is conditional upon the document being filed in a timely manner, being legible, and otherwise satisfying the requirements of state law or rules with respect to form and content.

~~(If the original copy of a document must be signed and a copy of the document is filed by faecsimile transmission under this section, the original copy must be subsequently filed with the official with whom the faecsimile was filed. The original copy must be filed by a deadline established by the secretary by rule.)~~ The secretary may by rule require that the original of any document, a copy of which is filed by (~~faecsimile~~) electronic transmission under this section, also be filed by a deadline established by the secretary by rule.

Sec. 2. RCW 29A.04.311 and 2006 c 344 s 1 are each amended to read as follows:

~~(Nominating)~~ Primaries for general elections to be held in November, and the election of precinct committee officers, must be held on the (~~third~~) first Tuesday of the preceding August.

Sec. 3. RCW 29A.04.321 and 2009 c 413 s 2 are each amended to read as follows:

(1) All state, county, city, town, and district general elections for the election of federal, state, legislative, judicial, county, city, town, and district officers, and for the submission to the voters of the state, county, city, town, or district of any measure for their adoption and approval or rejection, shall be held on the first Tuesday after the first Monday of November, in the year in which they may be called. A statewide general election shall be held on the first Tuesday after the first Monday of November of each year. However, the statewide general election held in odd-numbered years shall be limited to (a) city, town, and district general elections as provided for in RCW 29A.04.330, or as otherwise provided by law; (b) the election of federal officers for the remainder of any unexpired terms in the membership of either branch of the Congress of the United States; (c) the election of state and county officers for the remainder of any unexpired terms of offices created by or whose duties are described in Article II, section 15, Article III, sections 16, 17, 19, 20, 21, 22, and 23, and Article IV, sections 3 and 5 of the state Constitution and RCW 2.06.080; (d) the

election of county officers in any county governed by a charter containing provisions calling for general county elections at this time; and (e) the approval or rejection of state measures, including proposed constitutional amendments, matters pertaining to any proposed constitutional convention, initiative measures and referendum measures proposed by the electorate, referendum bills, and any other matter provided by the legislature for submission to the electorate.

(2) A county legislative authority may call a special county election by presenting a resolution to the county auditor prior to the proposed election date. A special election called by the county legislative authority shall be held on one of the following dates as decided by such governing body:

- (a) The second Tuesday in February;
- (b) The third Tuesday in April until January 1, 2013;
- (c) The fourth Tuesday in April on or after January 1, 2013;
- ~~((c))~~ (d) The day of the primary as specified by RCW 29A.04.311; or
- ~~((d))~~ (e) The first Tuesday after the first Monday in November.

(3) A resolution calling for a special election on a date set forth in subsection (2)(a) ~~((and (b)))~~ through (c) of this section must be presented to the county auditor at least ~~((forty-five))~~ forty-six days prior to the election date. A resolution calling for a special election on a date set forth in subsection (2)~~((c))~~ ~~((e))~~ (d) of this section must be presented to the county auditor ~~((at least eighty-four days prior to the election date))~~ no later than the Friday immediately before the first day of regular candidate filing. A resolution calling for a special election on a date set forth in subsection (2)(e) of this section must be presented to the county auditor no later than the day of the primary.

(4) In addition to the dates set forth in subsection (2)(a) through ~~((d))~~ (e) of this section, a special election to validate an excess levy or bond issue may be called at any time to meet the needs resulting from fire, flood, earthquake, or other act of God. Such county special election shall be noticed and conducted in the manner provided by law.

(5) This section shall supersede the provisions of any and all other statutes, whether general or special in nature, having different dates for such city, town, and district elections, the purpose of this section being to establish mandatory dates for holding elections ~~((except for those elections held pursuant to a home-rule charter adopted under Article XI, section 4 of the state Constitution))~~. This section shall not be construed as fixing the time for holding primary elections, or elections for the recall of any elective public officer.

Sec. 4. RCW 29A.04.330 and 2009 c 413 s 4, 2009 c 144 s 3, and 2009 c 413 s 3 are each reenacted and amended to read as follows:

(1) All city, town, and district general elections shall be held throughout the state of Washington on the first Tuesday following the first Monday in November in the odd-numbered years.

This section shall not apply to:

- (a) Elections for the recall of any elective public officer;
- (b) Public utility districts, conservation districts, or district elections at which the ownership of property within those districts is a prerequisite to voting, all of which elections shall be held at the times prescribed in the laws specifically applicable thereto;

(c) Consolidation proposals as provided for in RCW 28A.315.235 and nonhigh capital fund aid proposals as provided for in chapter 28A.540 RCW; and

(d) Special flood control districts consisting of three or more counties.

(2) The county auditor, as ex officio supervisor of elections, upon request in the form of a resolution of the governing body of a city, town, or district, presented to the auditor prior to the proposed election date, may call a special election in such city, town, or district, and for the purpose of such special election he or she may combine, unite, or divide precincts. Such a special election shall be held on one of the following dates as decided by the governing body:

(a) The second Tuesday in February;

(b) The third Tuesday in April until January 1, 2013;

(c) The fourth Tuesday in April on or after January 1, 2013;

~~((e))~~ (d) The day of the primary election as specified by RCW 29A.04.311;

or

~~((d))~~ (e) The first Tuesday after the first Monday in November.

(3) A resolution calling for a special election on a date set forth in subsection (2)(a) ~~((and (b)))~~ through (c) of this section must be presented to the county auditor at least ~~((forty-five))~~ forty-six days prior to the election date. A resolution calling for a special election on a date set forth in subsection (2)~~((e))~~ ~~(e)~~ (d) of this section must be presented to the county auditor ~~((at least eighty-four days prior to the election date))~~ no later than the Friday immediately before the first day of regular candidate filing. A resolution calling for a special election on a date set forth in subsection (2)(e) of this section must be presented to the county auditor no later than the day of the primary.

(4) In addition to subsection (2)(a) through ~~((d))~~ (e) of this section, a special election to validate an excess levy or bond issue may be called at any time to meet the needs resulting from fire, flood, earthquake, or other act of God, except that no special election may be held between the first day for candidates to file for public office and the last day to certify the returns of the general election other than as provided in subsection (2)~~((e) and))~~ (d) and (e) of this section. Such special election shall be conducted and notice thereof given in the manner provided by law.

(5) This section shall supersede the provisions of any and all other statutes, whether general or special in nature, having different dates for such city, town, and district elections, the purpose of this section being to establish mandatory dates for holding elections.

Sec. 5. RCW 29A.16.040 and 2004 c 266 s 10 are each amended to read as follows:

The county legislative authority of each county in the state hereafter formed shall, at their first session, divide their respective counties into election precincts and establish the boundaries of the precincts. The county auditor shall thereupon designate the voting place for each such precinct or whether the precinct is a vote by mail precinct.

(1) Precinct boundaries may be altered at any time as long as sufficient time exists prior to a given election for the necessary procedural steps to be honored. Except as permitted under subsection (5) of this section, no precinct ~~((boundaries))~~ changes may be ~~((changed))~~ made during the period starting ~~((on~~

~~the thirtieth))~~ fourteen days prior to the first day for candidates to file for the primary election and ending with the day of the general election.

(2) The county legislative authority may establish by ordinance a limitation on the maximum number of active registered voters in each precinct within its jurisdiction. The limitation may be different for precincts based upon the method of voting used for such precincts and the number may be less than the number established by law, but in no case may the number exceed that authorized by law.

(3) Precincts in which voting machines or electronic voting devices are used may contain as many as nine hundred active registered voters. The number of poll-site ballot counting devices at each polling place is at the discretion of the auditor. The number of devices must be adequate to meet the expected voter turnout.

(4) On petition of twenty-five or more voters resident more than ten miles from any polling site, the county legislative authority shall establish a separate voting precinct therefor.

(5) The county auditor shall temporarily adjust precinct boundaries when a city or town annexes unincorporated territory to the city or town, or whenever unincorporated territory is incorporated as a city or town. The adjustment must be made as soon as possible after the approval of the annexation or incorporation. The temporary adjustment must be limited to the minimum changes necessary to accommodate the addition of the territory to the city or town, or to establish the eligible voters within the boundaries of the new city or town, and remains in effect only until precinct boundary modifications reflecting the annexation or incorporation are adopted by the county legislative authority.

(6) In determining the number of active registered voters for the purposes of this section, persons who are ongoing absentee voters under RCW 29A.40.040 shall not be counted. Nothing in this subsection may be construed as altering the vote tallying requirements of RCW 29A.60.230.

Sec. 6. RCW 29A.24.040 and 2006 c 344 s 5 are each amended to read as follows:

A candidate may file his or her declaration of candidacy for an office by electronic means on a system specifically designed and authorized by a filing officer to accept filings.

(1) Filings that are received electronically must capture all information specified in RCW 29A.24.031 (1) through (4).

(2) Electronic filing may begin at 9:00 a.m. the first ~~((Monday in June))~~ day of the filing period and continue through 4:00 p.m. the ~~((following Friday))~~ last day of the filing period.

~~((3) In case of special filing periods established in this chapter, electronic filings may be accepted beginning at 9:00 a.m. on the first day of the special filing period through 4:00 p.m. the last day of the special filing period.))~~

Sec. 7. RCW 29A.24.050 and 2006 c 344 s 6 are each amended to read as follows:

Except where otherwise provided by this title, declarations of candidacy for the following offices shall be filed during regular business hours with the filing officer ~~((no earlier than the first Monday in June))~~ beginning the Monday two

weeks before Memorial day and ((no later than)) ending the following Friday in the year in which the office is scheduled to be voted upon:

(1) Offices that are scheduled to be voted upon for full terms or both full terms and short terms at, or in conjunction with, a state general election; and

(2) Offices where a vacancy, other than a short term, exists that has not been filled by election and for which an election to fill the vacancy is required in conjunction with the next state general election.

This section supersedes all other statutes that provide for a different filing period for these offices.

Sec. 8. RCW 29A.24.131 and 2004 c 271 s 115 are each amended to read as follows:

A candidate may withdraw his or her declaration of candidacy at any time before the close of business on the ~~((Thursday))~~ Monday following the last day for candidates to file under RCW 29A.24.050 by filing, with the officer with whom the declaration of candidacy was filed, a signed request that his or her name not be printed on the ballot. There shall be no withdrawal period for declarations of candidacy filed during special filing periods held under this title. ~~((The filing officer may permit the withdrawal of a filing for the office of precinct committee officer at the request of the candidate at any time if no absentee ballots have been issued for that office and the ballots for that precinct have not been printed. The filing officer may permit the withdrawal of a filing for any elected office of a city, town, or special district at the request of the candidate at any time before a primary if the primary ballots for that city, town, or special district have not been ordered.))~~ No filing fee may be refunded to any candidate who withdraws under this section. Notice of the deadline for withdrawal of candidacy and that the filing fee is not refundable shall be given to each candidate at the time he or she files.

Sec. 9. RCW 29A.24.141 and 2004 c 271 s 162 are each amended to read as follows:

A void in candidacy ~~((for a nonpartisan office))~~ occurs when an election ~~((for such office, except for the short term,))~~ has been scheduled and no valid declaration of candidacy has been filed for the position or all persons filing such valid declarations of candidacy have died or been disqualified.

Sec. 10. RCW 29A.24.171 and 2006 c 344 s 7 are each amended to read as follows:

~~((Filings for a nonpartisan office shall be reopened for a period of three normal business days, such three-day period to be fixed by the election officer with whom such declarations of candidacy are filed and notice thereof given by notifying press, radio, and television in the county and by such other means as may now or hereafter be provided by law whenever before the eleventh Tuesday prior to a primary:~~

~~(1) A void in candidacy occurs;~~

~~(2) A vacancy occurs in any nonpartisan office leaving an unexpired term to be filled by an election for which filings have not been held; or~~

~~(3) A nominee for judge of the superior court entitled to a certificate of election pursuant to Article 4, section 29, Amendment 41 of the state Constitution, dies or is disqualified.~~

~~Candidacies validly filed within said three-day period shall appear on the ballot as if made during the earlier filing period.)~~ (1) If, prior to the first day of the regular filing period, a vacancy occurs in an office that is not scheduled to appear on the general election ballot, leaving an unexpired term for which a successor must be elected at the next general election, filings for that office shall be accepted during the regular filing period. The filing officer shall provide notice of the vacancy and filing period to newspapers, radio, and television in the county, and online. The position shall appear on the primary and general election ballots unless no primary is required or unless a candidate for superior court judge is entitled to a certificate of election pursuant to Article 4, section 29 of the state Constitution.

(2) If, on the first day of the regular filing period or later, a vacancy occurs in an office that is not scheduled to appear on the general election ballot, leaving an unexpired term, the election of the successor shall occur at the next succeeding general election that the office is allowed by law to have an election.

Sec. 11. RCW 29A.24.181 and 2006 c 344 s 8 are each amended to read as follows:

~~((Filings for a nonpartisan office (other than judge of the supreme court or superintendent of public instruction)))~~ (1) If a void in candidacy occurs following the regular filing period and deadline to withdraw, but prior to the day of the primary, filings for that office shall be reopened for a period of three normal business days, such three-day period to be fixed by the ((election officer with whom such declarations of candidacy are filed and notice thereof given by notifying press, radio, and television in the county and by such other means as may now or hereafter be provided by law, when:

~~(1) A void in candidacy for such nonpartisan office occurs on or after the eleventh Tuesday prior to a primary but prior to the eleventh Tuesday before an election; or~~

~~(2) A nominee for judge of the superior court eligible after a contested primary for a certificate of election by Article 4, section 29, Amendment 41 of the state Constitution, dies or is disqualified within the ten-day period immediately following the last day allotted for a candidate to withdraw; or~~

~~(3) A vacancy occurs in any nonpartisan office on or after the eleventh Tuesday prior to a primary but prior to the eleventh Tuesday before an election leaving an unexpired term to be filled by an election for which filings have not been held.~~

The candidate receiving a plurality of the votes cast for that office in the general election shall be deemed elected.) filing officer. The filing officer shall provide notice of the special filing period to newspapers, radio, and television in the county, and online. The candidate receiving a plurality of the votes cast for that office in the general election is deemed elected.

(2) This section does not apply to voids in candidacy in the office of precinct committee officer, which are filled by appointment pursuant to RCW 29A.28.071.

Sec. 12. RCW 29A.24.191 and 2006 c 344 s 9 are each amended to read as follows:

A scheduled election shall be lapsed, the office deemed stricken from the ballot, no purported write-in votes counted, and no candidate certified as elected, when(:

~~(1) In an election for judge of the supreme court or superintendent of public instruction, a void in candidacy occurs on or after the eleventh Tuesday prior to a primary, public filings and the primary being an indispensable phase of the election process for such offices;~~

~~(2) Except as otherwise specified in RCW 29A.24.181, a nominee for judge of the superior court entitled to a certificate of election pursuant to Article 4, section 29, Amendment 41 of the state Constitution dies or is disqualified on or after the eleventh Tuesday prior to a primary;~~

~~(3) In other elections for nonpartisan office)) a void in candidacy occurs ((or a vacancy occurs involving an unexpired term to be filled on or after the eleventh Tuesday prior to an election)) following the special three day filing period required by RCW 29A.24.181.~~

Sec. 13. RCW 29A.24.311 and 2004 c 271 s 117 are each amended to read as follows:

Any person who desires to be a write-in candidate and have such votes counted at a primary or election may file a declaration of candidacy with the officer designated in RCW 29A.24.070 not later than the day ~~((before the primary or election))~~ ballots must be mailed according to RCW 29A.40.070. Declarations of candidacy for write-in candidates must be accompanied by a filing fee in the same manner as required of other candidates filing for the office as provided in RCW 29A.24.091.

Votes cast for write-in candidates who have filed such declarations of candidacy and write-in votes for persons appointed by major political parties pursuant to RCW 29A.28.021 need only specify the name of the candidate in the appropriate location on the ballot in order to be counted. Write-in votes cast for any other candidate, in order to be counted, must designate the office sought and position number or political party, if the manner in which the write-in is done does not make the office or position clear.

No person may file as a write-in candidate where:

(1) At a general election, the person attempting to file either filed as a write-in candidate for the same office at the preceding primary or the person's name appeared on the ballot for the same office at the preceding primary;

(2) The person attempting to file as a write-in candidate has already filed a valid write-in declaration for that primary or election, unless one or the other of the two filings is for the office of precinct committeeperson;

(3) The name of the person attempting to file already appears on the ballot as a candidate for another office, unless one of the two offices for which he or she is a candidate is precinct committeeperson.

The declaration of candidacy shall be similar to that required by RCW 29A.24.031. No write-in candidate filing under this section may be included in any voter's pamphlet produced under chapter 29A.32 RCW unless that candidate qualifies to have his or her name printed on the general election ballot. The legislative authority of any jurisdiction producing a local voter's pamphlet under chapter 29A.32 RCW may provide, by ordinance, for the inclusion of write-in candidates in such pamphlets.

Sec. 14. RCW 29A.28.041 and 2006 c 344 s 12 are each amended to read as follows:

(1) Whenever a vacancy occurs in the United States house of representatives or the United States senate from this state, the governor shall order a special election to fill the vacancy. Minor political party candidates and independent candidates may be nominated through the convention procedures provided in chapter 29A.20 RCW.

(2) Within ten days of such vacancy occurring, he or she shall issue a writ of election fixing a date for the ~~((special vacancy election not less than ninety days after the issuance of the writ, fixing a date for the primary for nominating major political party candidates for the special vacancy election not less than thirty days before the day fixed for holding the special vacancy election, fixing the dates for the special filing period, and designating the term or part of the term for which the vacancy exists))~~ primary at least seventy days after issuance of the writ, and fixing a date for the election at least seventy days after the date of the primary. If the vacancy is in the office of United States representative, the writ of election shall specify the congressional district that is vacant.

(3) If the vacancy occurs less than ~~((six))~~ eight months before a state general election and before the ~~((second Friday following the))~~ close of the filing period for that general election, the special primary, special vacancy election, and minor party and independent candidate nominating conventions must be held in concert with the state primary and state general election in that year.

(4) If the vacancy occurs on or after the first day for filing under RCW 29A.24.050 and on or before the ~~((second Friday following the))~~ close of the filing period, a special filing period of three normal business days shall be fixed by the governor and notice thereof given to all media, including press, radio, and television within the area in which the vacancy election is to be held, to the end that, insofar as possible, all interested persons will be aware of such filing period. ~~((The last day of the filing period shall not be later than the sixth Tuesday before the primary at which major political party candidates are to be nominated.))~~ The names of major political party candidates who have filed valid declarations of candidacy during this three-day period shall appear on the approaching primary ballot. The requirements of RCW 29A.20.131 do not apply to a minor political party or independent candidate convention held under this subsection.

(5) If the vacancy occurs later than the ~~((second Friday following the))~~ close of the filing period, a special primary~~((, special))~~ and vacancy election~~((, and the minor party and independent candidate conventions))~~ to fill the position shall be held after the next state general election but, in any event, no later than the ninetieth day following the November election.

Sec. 15. RCW 29A.36.010 and 2005 c 2 s 12 are each reenacted and amended to read as follows:

~~((On or before the day following the last day allowed for candidates to withdraw under RCW 29A.24.130))~~ Not later than the Tuesday following the regular filing period, the secretary of state shall certify to each county auditor a list of the candidates who have filed declarations of candidacy in his or her office for the primary. For each office, the certificate shall include the name of each candidate, his or her address, and his or her party preference or independent designation as shown on filed declarations.

Sec. 16. RCW 29A.40.070 and 2006 c 344 s 13 are each amended to read as follows:

(1) Except where a recount or litigation (~~(under RCW 29A.68.011)~~) is pending, the county auditor (~~(shall have sufficient absentee ballots available for absentee voters of that county, other than overseas voters and service voters, at least twenty days before any primary, general election, or special election. The county auditor)~~) must mail (~~(absentee)~~) ballots to each voter (~~(for whom the county auditor has received a request nineteen days before the primary or election)~~) at least eighteen days before ((the)) each primary or election, and as soon as possible for all subsequent registration changes. (~~(For a request for an absentee ballot received after the nineteenth day before the primary or election, the county auditor shall make every effort to mail ballots within one business day, and shall mail the ballots within two business days))~~).

(2) (~~(At least thirty days before any primary, general election, or special election, the county auditor shall mail ballots to all overseas and service voters.))~~) Except where a recount or litigation is pending, the county auditor must mail ballots to each service and overseas voter at least thirty days before each special election and at least forty-five days before each primary or general election. A request for a ballot made by an overseas or service voter after that day must be processed immediately.

(3) A registered voter may obtain a replacement ballot if the ballot is destroyed, spoiled, lost, or not received by the voter. The voter may obtain the ballot by telephone request, by mail, electronically, or in person. The county auditor shall keep a record of each request for a replacement ballot.

(4) Each county auditor shall certify to the office of the secretary of state the dates the ballots (~~(prescribed in subsection (1) of this section were available and)~~) were mailed, or the reason and date the ballots will be mailed if the ballots were not mailed timely.

~~((4) If absentee ballots will not be available or mailed as prescribed in subsection (1) of this section, the county auditor shall immediately certify to the office of the secretary of state when absentee ballots will be available and mailed. Copies of this certification must be provided to the county canvassing board, the press, jurisdictions with issues on the ballot in the election, and any candidates.~~

~~(5) If absentee ballots were not available or mailed as prescribed in subsection (1) of this section, for a reason other than a recount or litigation, the county auditor, in consultation with the certification and training program of the office of the secretary of state, shall submit a report to the office of the secretary of state outlining why the deadline was missed and what corrective actions will be taken in future elections to ensure that absentee ballots are available and mailed as prescribed in subsection (1) of this section.~~

~~(6)) Failure to ((have absentee ballots available and mailed)) mail ballots as prescribed in ((subsection (1) of)) this section does not by itself provide a basis for an election contest or other legal challenge to the results of a primary, general election, or special election.~~

Sec. 17. RCW 29A.40.091 and 2010 c 125 s 1 are each amended to read as follows:

(1) The county auditor shall send each voter a ballot, a security envelope in which to seal the ballot after voting, a larger envelope in which to return the

security envelope, a declaration that the voter must sign, and instructions on how to obtain information about the election, how to mark the ballot, and how to return ~~((#))~~ the ballot to the county auditor.

~~(2) The ((instructions that accompany a ballot for a partisan primary must include instructions for voting the applicable ballot style, as provided in chapter 29A.36 RCW. The voter's name and address must be printed on the larger return envelope, which must also contain a declaration by the voter reciting his or her qualifications and stating that he or she)) voter must swear under penalty of perjury that he or she meets the qualifications to vote, and has not voted in any other jurisdiction at this election(, together with a summary of the penalties for any violation of any of the provisions of this chapter)). The declaration must clearly inform the voter that it is illegal to vote if he or she is not a United States citizen; it is illegal to vote if he or she has been convicted of a felony and has not had his or her voting rights restored; and(, except as otherwise provided by law,) it is illegal to cast a ballot or sign a return envelope on behalf of another voter. The ((return envelope must provide space for the)) voter ((to)) must indicate the date on which the ballot was voted and ((for the voter to)) sign the ((oath)) declaration. ((#)) The ballot materials must also contain a space so that the voter may include a telephone number. ((A summary of the applicable penalty provisions of this chapter must be printed on the return envelope immediately adjacent to the space for the voter's signature. The signature of the voter on the return envelope must affirm and attest to the statements regarding the qualifications of that voter and to the validity of the ballot. The return envelope may provide secrecy for the voter's signature and optional telephone number.))~~

~~(3) For overseas and service voters, the signed declaration on the return envelope constitutes the equivalent of a voter registration for the election or primary for which the ballot has been issued. Return envelopes for overseas and service voters must enable the ballot to be returned postage free if mailed through the United States postal service, United States armed forces postal service, or the postal service of a United States foreign embassy under 39 U.S.C. 3406.~~

~~(4) The voter must be instructed to either return the ballot to the county auditor ((by whom it was issued)) no later than 8:00 p.m. the day of the election or primary, or ((attach sufficient first-class postage, if applicable, and)) mail the ballot to the ((appropriate)) county auditor with a postmark no later than the day of the election or primary ((for which the ballot was issued.~~

~~If the county auditor chooses to forward ballots, he or she must include with the ballot a clear explanation of the qualifications necessary to vote in that election and must also advise a voter with questions about his or her eligibility to contact the county auditor. This explanation may be provided on the ballot envelope, on an enclosed insert, or printed directly on the ballot itself. If the information is not included, the envelope must clearly indicate that the ballot is not to be forwarded and that return postage is guaranteed)). Service and overseas voters must be provided with instructions and a secrecy cover sheet for returning the ballot and signed declaration by fax or e-mail. A voted ballot and signed declaration returned by fax or e-mail must be received by 8:00 p.m. on the day of the election or primary.~~

Sec. 18. RCW 29A.40.110 and 2009 c 369 s 40 are each amended to read as follows:

(1) The opening and subsequent processing of return envelopes for any primary or election may begin upon receipt. The tabulation of absentee ballots must not commence until after 8:00 p.m. on the day of the primary or election.

(2) All received (~~absentee~~) return envelopes must be placed in secure locations from the time of delivery to the county auditor until their subsequent opening. After opening the return envelopes, the county canvassing board shall place all of the ballots in secure storage until ~~((after 8:00 p.m. of the day of the primary or election))~~ processing. ~~((Absentee ballots that are to be tabulated on an electronic vote tallying system))~~ Ballots may be taken from the inner envelopes and all the normal procedural steps may be performed to prepare these ballots for tabulation.

(3) ~~((Before opening a returned absentee ballot,))~~ The canvassing board, or its designated representatives, shall examine the postmark((- statement,)) on the return envelope and signature on the ((return envelope that contains the security envelope and absentee ballot)) declaration before processing the ballot. The ballot must either be received no later than 8:00 p.m. on the day of the primary or election, or must be postmarked no later than the day of the primary or election. All personnel assigned to verify signatures must receive training on statewide standards for signature verification. Personnel shall verify that the voter's signature on the ~~((return envelope))~~ ballot declaration is the same as the signature of that voter in the registration files of the county. Verification may be conducted by an automated verification system approved by the secretary of state. ~~((For any absentee ballot,))~~ Δ variation between the signature of the voter on the ~~((return envelope))~~ ballot declaration and the signature of that voter in the registration files due to the substitution of initials or the use of common nicknames is permitted so long as the surname and handwriting are clearly the same.

(4) ~~((For registered voters casting absentee ballots))~~ If the postmark is missing or illegible, the date on the ((return envelope)) ballot declaration to which the voter has attested determines the validity, as to the time of voting, for that ((absentee)) ballot ((if the postmark is missing or is illegible)). For overseas voters and service voters, the date on the ((return envelope)) declaration to which the voter has attested determines the validity, as to the time of voting, for that ((absentee)) ballot. Any overseas voter or service voter may return the signed declaration and voted ballot by fax or e-mail by 8:00 p.m. on the day of the primary or election, and the county auditor must use established procedures to maintain the secrecy of the ballot.

Sec. 19. RCW 29A.56.030 and 2006 c 344 s 15 are each amended to read as follows:

The name of any candidate for a major political party nomination for president of the United States shall be printed on the presidential preference primary ballot of a major political party only:

(1) By direction of the secretary of state, who in the secretary's sole discretion has determined that the candidate's candidacy is generally advocated or is recognized in national news media; or

(2) If members of the political party of the candidate have presented a petition for nomination of the candidate that has attached to the petition a sheet

or sheets containing the signatures of at least one thousand registered voters who declare themselves in the petition as being affiliated with the same political party as the presidential candidate. The petition shall be filed with the secretary of state not later than ~~((sixty))~~ seventy-five days before the presidential preference primary. The signature sheets shall also contain the residence address and name or number of the precinct of each registered voter whose signature appears thereon and shall be certified in the manner prescribed in RCW 29A.72.230 and 29A.72.240.

The secretary of state shall place the name of the candidate on the ballot unless the candidate, at least ~~((fifty-two))~~ sixty-seven days before the presidential preference primary, executes and files with the secretary of state an affidavit stating without qualification that he or she is not now and will not become a candidate for the office of president of the United States at the forthcoming presidential election. The secretary of state shall certify the names of all candidates who will appear on the presidential preference primary ballot to the respective county auditors on or before the fourth Tuesday in April of each presidential election year.

Sec. 20. RCW 29A.60.190 and 2006 c 344 s 16 are each amended to read as follows:

(1) Except as provided by subsection ~~((3))~~ (2) of this section, ~~((fifteen))~~ fourteen days after a primary or special election and twenty-one days after a general election, the county canvassing board shall complete the canvass and certify the results. The county canvassing board must complete the canvass and certify the results of the April 17, 2012, special election ten days after election day. Each ~~((absentee))~~ ballot that was returned before ~~((the closing of the polls))~~ 8:00 p.m. on the day of the special election, general election, or primary, and each ~~((absentee))~~ ballot bearing a postmark on or before the date of the ~~((primary or))~~ special election, general election, or primary and received ~~((on or before the date on which the primary or election is certified))~~ no later than the day before certification, must be included in the canvass report.

~~(2) ((At the request of a caucus of the state legislature, the county auditor shall transmit copies of all unofficial returns of state and legislative primaries or elections prepared by or for the county canvassing board to either the secretary of the senate or the chief clerk of the house of representatives.~~

~~(3))~~ On or before the thirtieth day after an election conducted under the instant runoff voting method for the pilot project authorized by RCW 29A.53.020, the canvassing board shall complete the canvass and certify the results.

Sec. 21. RCW 29A.60.190 and 2006 c 344 s 17 are each amended to read as follows:

~~((1) Fifteen))~~ Fourteen days after a primary or special election and twenty-one days after a general election, the county canvassing board shall complete the canvass and certify the results. Each ~~((absentee))~~ ballot that was returned before ~~((the closing of the polls))~~ 8:00 p.m. on the day of the special election, general election, or primary, and each ~~((absentee))~~ ballot bearing a postmark on or before the date of the ~~((primary or))~~ special election, general election, or primary and received ~~((on or before the date on which the primary or election is certified))~~ no later than the day before certification, must be included in the canvass report.

~~((2) At the request of a caucus of the state legislature, the county auditor shall transmit copies of all unofficial returns of state and legislative primaries or elections prepared by or for the county canvassing board to either the secretary of the senate or the chief clerk of the house of representatives.))~~

Sec. 22. RCW 29A.60.240 and 2003 c 111 s 1524 are each amended to read as follows:

The secretary of state shall, as soon as possible but in any event not later than ~~((the third Tuesday))~~ seventeen days following the primary, canvass and certify the returns of all primary elections as to candidates for state offices, United States senators and representatives in Congress, and all other candidates whose district extends beyond the limits of a single county.

Sec. 23. RCW 29A.64.011 and 2004 c 271 s 177 are each amended to read as follows:

An officer of a political party or any person for whom votes were cast in a primary who ~~((was not declared nominated))~~ did not qualify for the general election may file a written application for a recount of the votes or a portion of the votes cast at that primary for all persons for whom votes were cast for ~~((nomination to))~~ that office.

An officer of a political party or any person for whom votes were cast at any election may file a written application for a recount of the votes or a portion of the votes cast at that election for all candidates for election to that office.

Any group of five or more registered voters may file a written application for a recount of the votes or a portion of the votes cast upon any question or issue. They shall designate one of the members of the group as chair and shall indicate the voting residence of each member of the group.

An application for a recount of the votes cast for an office or on a ballot measure must be filed with the officer with whom filings are made for the jurisdiction.

An application for a recount must specify whether the recount will be done manually or by the vote tally system. A recount done by the vote tally system must use programming that recounts and reports only the office or ballot measure in question. The county shall also provide for a test of the logic and accuracy of that program.

An application for a recount must be filed within ~~((three))~~ two business days after the county canvassing board or secretary of state has declared the official results of the primary or election for the office or issue for which the recount is requested.

This chapter applies to the recounting of votes cast by paper ballots and to the recounting of votes recorded on ballots counted by a vote tally system.

Sec. 24. RCW 29A.64.030 and 2005 c 243 s 20 are each amended to read as follows:

An application for a recount shall state the office for which a recount is requested and whether the request is for all or only a portion of the votes cast in that jurisdiction of that office. The person filing an application for a manual recount shall, at the same time, deposit with the county canvassing board or secretary of state, in cash or by certified check, a sum equal to twenty-five cents for each ballot cast in the jurisdiction or portion of the jurisdiction for which the recount is requested as security for the payment of any costs of conducting the

recount. If the application is for a machine recount, the deposit must be equal to fifteen cents for each ballot. These charges shall be determined by the county canvassing board or boards under RCW 29A.64.081.

The county canvassing board shall determine the date, time, and place or places at which the recount will be conducted. Not less than ~~((two days))~~ one day before the date of the recount, the county auditor shall ~~((mail a notice of the time and place of the recount to))~~ notify the applicant or affected parties and, if the recount involves an office, to any person for whom votes were cast for that office of the date, time, and place of the recount. ~~((The county auditor shall also notify the affected parties by either telephone, fax, e mail, or other electronic means at the time of mailing. At least three attempts must be made over a two-day period to notify the affected parties or until the affected parties have received the notification. Each attempt to notify affected parties must request a return response indicating that the notice has been received.))~~ Each person entitled to receive notice of the recount may attend, witness the recount, and be accompanied by counsel.

Proceedings of the canvassing board are public under chapter 42.30 RCW. Subject to reasonable and equitable guidelines adopted by the canvassing board, all interested persons may attend and witness a recount.

Sec. 25. RCW 29A.68.011 and 2007 c 374 s 3 are each amended to read as follows:

Any justice of the supreme court, judge of the court of appeals, or judge of the superior court in the proper county shall, by order, require any person charged with error, wrongful act, or neglect to forthwith correct the error, desist from the wrongful act, or perform the duty and to do as the court orders or to show cause forthwith why the error should not be corrected, the wrongful act desisted from, or the duty or order not performed, whenever it is made to appear to such justice or judge by affidavit of an elector that:

- (1) An error or omission has occurred or is about to occur in printing the name of any candidate on official ballots; or
- (2) An error other than as provided in subsections (1) and (3) of this section has been committed or is about to be committed in printing the ballots; or
- (3) The name of any person has been or is about to be wrongfully placed upon the ballots; or
- (4) A wrongful act other than as provided for in subsections (1) and (3) of this section has been performed or is about to be performed by any election officer; or
- (5) Any neglect of duty on the part of an election officer other than as provided for in subsections (1) and (3) of this section has occurred or is about to occur; or
- (6) An error or omission has occurred or is about to occur in the official certification of the election.

An affidavit of an elector under subsections (1) and (3) of this section when relating to a primary election must be filed with the appropriate court no later than ~~((the second Friday))~~ two days following the closing of the filing period ~~((for nominations))~~ for such office and shall be heard and finally disposed of by the court not later than five days after the filing thereof. An affidavit of an elector under subsections (1) and (3) of this section when relating to a general election must be filed with the appropriate court no later than three days

following the official certification of the primary election returns and shall be heard and finally disposed of by the court not later than five days after the filing thereof. An affidavit of an elector under subsection (6) of this section shall be filed with the appropriate court no later than ten days following the official certification of the election as provided in RCW 29A.60.190, 29A.60.240, or 29A.60.250 or, in the case of a recount, ten days after the official certification of the amended abstract as provided in RCW 29A.64.061.

Sec. 26. RCW 29A.76.010 and 2003 c 111 s 1901 are each amended to read as follows:

(1) It is the responsibility of each county, municipal corporation, and special purpose district with a governing body comprised of internal director, council, or commissioner districts not based on statutorily required land ownership criteria to periodically redistrict its governmental unit, based on population information from the most recent federal decennial census.

(2) Within forty-five days after receipt of federal decennial census information applicable to a specific local area, the commission established in RCW 44.05.030 shall forward the census information to each municipal corporation, county, and district charged with redistricting under this section.

(3) No later than eight months after its receipt of federal decennial census data, the governing body of the municipal corporation, county, or district shall prepare a plan for redistricting its internal or director districts.

(4) The plan shall be consistent with the following criteria:

(a) Each internal director, council, or commissioner district shall be as nearly equal in population as possible to each and every other such district comprising the municipal corporation, county, or special purpose district.

(b) Each district shall be as compact as possible.

(c) Each district shall consist of geographically contiguous area.

(d) Population data may not be used for purposes of favoring or disfavoring any racial group or political party.

(e) To the extent feasible and if not inconsistent with the basic enabling legislation for the municipal corporation, county, or district, the district boundaries shall coincide with existing recognized natural boundaries and shall, to the extent possible, preserve existing communities of related and mutual interest.

(5) During the adoption of its plan, the municipal corporation, county, or district shall ensure that full and reasonable public notice of its actions is provided. The municipal corporation, county, or district shall hold at least one public hearing on the redistricting plan at least one week before adoption of the plan.

(6)(a) Any registered voter residing in an area affected by the redistricting plan may request review of the adopted local plan by the superior court of the county in which he or she resides, within (~~forty-five~~) fifteen days of the plan's adoption. Any request for review must specify the reason or reasons alleged why the local plan is not consistent with the applicable redistricting criteria. The municipal corporation, county, or district may be joined as respondent. The superior court shall thereupon review the challenged plan for compliance with the applicable redistricting criteria set out in subsection (4) of this section.

(b) If the superior court finds the plan to be consistent with the requirements of this section, the plan shall take effect immediately.

(c) If the superior court determines the plan does not meet the requirements of this section, in whole or in part, it shall remand the plan for further or corrective action within a specified and reasonable time period.

(d) If the superior court finds that any request for review is frivolous or has been filed solely for purposes of harassment or delay, it may impose appropriate sanctions on the party requesting review, including payment of attorneys' fees and costs to the respondent municipal corporation, county, or district.

Sec. 27. RCW 42.12.040 and 2006 c 344 s 29 and 2005 c 2 s 15 are each reenacted and amended to read as follows:

(1) If a vacancy occurs in any partisan elective office in the executive or legislative branches of state government or in any partisan county elective office before the ~~((eleventh Tuesday prior to the primary for the next general election following the occurrence of the vacancy,))~~ first day of the regular filing period, the position must be open for filing during the regular filing period as provided in RCW 29A.24.171 and a successor shall be elected ~~((to that office at that))~~ at the general election. Except during the last year of the term of office, if such a vacancy occurs on or after the ~~((eleventh Tuesday prior to the primary for that general election))~~ first day of the regular filing period, the election of the successor shall occur at the next succeeding general election. The elected successor shall hold office for the remainder of the unexpired term. This section shall not apply to any vacancy occurring in a charter county which has charter provisions inconsistent with this section.

(2) If a vacancy occurs in any legislative office or in any partisan county office after the general election in a year that the position appears on the ballot and before the start of the next term, the term of the successor who is of the same party as the incumbent may commence once he or she has qualified as defined in RCW 29A.04.133 and shall continue through the term for which he or she was elected.

Sec. 28. RCW 42.12.070 and 1994 c 223 s 1 are each amended to read as follows:

A vacancy on an elected nonpartisan governing body of a special purpose district where property ownership is not a qualification to vote, a town, or a city other than a first-class city or a charter code city, shall be filled as follows unless the provisions of law relating to the special district, town, or city provide otherwise:

(1) Where one position is vacant, the remaining members of the governing body shall appoint a qualified person to fill the vacant position.

(2) Where two or more positions are vacant and two or more members of the governing body remain in office, the remaining members of the governing body shall appoint a qualified person to fill one of the vacant positions, the remaining members of the governing body and the newly appointed person shall appoint another qualified person to fill another vacant position, and so on until each of the vacant positions is filled with each of the new appointees participating in each appointment that is made after his or her appointment.

(3) If less than two members of a governing body remain in office, the county legislative authority of the county in which all or the largest geographic portion of the city, town, or special district is located shall appoint a qualified

person or persons to the governing body until the governing body has two members.

(4) If a governing body fails to appoint a qualified person to fill a vacancy within ninety days of the occurrence of the vacancy, the authority of the governing body to fill the vacancy shall cease and the county legislative authority of the county in which all or the largest geographic portion of the city, town, or special district is located shall appoint a qualified person to fill the vacancy.

(5) If the county legislative authority of the county fails to appoint a qualified person within one hundred eighty days of the occurrence of the vacancy, the county legislative authority or the remaining members of the governing body of the city, town, or special district may petition the governor to appoint a qualified person to fill the vacancy. The governor may appoint a qualified person to fill the vacancy after being petitioned if at the time the governor fills the vacancy the county legislative authority has not appointed a qualified person to fill the vacancy.

(6) As provided in (~~RCW 29.15.190 and 29.21.410~~) chapter 29A.24 RCW, each person who is appointed shall serve until a qualified person is elected at the next election at which a member of the governing body normally would be elected (~~(that occurs twenty-eight or more days after the occurrence of the vacancy)~~). If needed, special filing periods shall be authorized as provided in (~~RCW 29.15.170 and 29.15.180~~) chapter 29A.24 RCW for qualified persons to file for the vacant office. A primary shall be held to (~~(nominate)~~) qualify candidates if sufficient time exists to hold a primary and more than two candidates file for the vacant office. Otherwise, a primary shall not be held and the person receiving the greatest number of votes shall be elected. The person elected shall take office immediately and serve the remainder of the unexpired term.

If an election for the position that became vacant would otherwise have been held at this general election date, only one election to fill the position shall be held and the person elected to fill the succeeding term for that position shall take office immediately when qualified as defined in RCW (~~29.01.135~~) 29A.04.133 and shall service both the remainder of the unexpired term and the succeeding term.

NEW SECTION. Sec. 29. The following acts or parts of acts are each repealed:

- (1) RCW 29A.04.310 (Primaries) and 2005 c 2 s 8, 2003 c 111 s 143, 1977 ex.s. c 361 s 29, 1965 ex.s. c 103 s 6, & 1965 c 9 s 29.13.070;
 - (2) RCW 29A.24.151 (Notice of void in candidacy) and 2004 c 271 s 163;
 - (3) RCW 29A.24.161 (Filings to fill void in candidacy—How made) and 2004 c 271 s 164;
 - (4) RCW 29A.36.011 (Certifying primary candidates) and 2004 c 271 s 124;
- and
- (5) RCW 29A.40.150 (Overseas, service voters) and 2009 c 415 s 12, 2006 c 206 s 7, 2005 c 245 s 1, 2003 c 111 s 1015, 1993 c 417 s 7, 1987 c 346 s 19, & 1983 1st ex.s. c 71 s 8.

NEW SECTION. Sec. 30. The following acts or parts of acts are each repealed:

(1) RCW 29A.24.210 (Vacancy in partisan elective office—Special filing period) and 2005 c 2 s 10 & 2003 c 111 s 621; and

(2) RCW 29A.24.211 (Vacancy in partisan elective office—Special filing period) and 2006 c 344 s 10 & 2004 c 271 s 116.

NEW SECTION. Sec. 31. Section 21 of this act takes effect July 1, 2013.

NEW SECTION. Sec. 32. Section 20 of this act expires July 1, 2013.

NEW SECTION. Sec. 33. Except for sections 10 through 12, 21, 27, 28, and 30 of this act, this act takes effect January 1, 2012.

NEW SECTION. Sec. 34. Sections 10 through 12, 27, 28, and 30 of this act are necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and take effect immediately.

Passed by the Senate April 14, 2011.

Passed by the House April 9, 2011.

Approved by the Governor May 16, 2011.

Filed in Office of Secretary of State May 17, 2011.

CHAPTER 350

[Substitute House Bill 1237]

SELECTIVE SERVICE SYSTEM—REGISTRATION—DEPARTMENT OF LICENSING

AN ACT Relating to registering with the federal selective service when applying for an instruction permit, intermediate license, driver's license, or identicard; amending RCW 42.56.230; adding a new section to chapter 46.20 RCW; and providing an effective date.

Be it enacted by the Legislature of the State of Washington:

NEW SECTION. Sec. 1. A new section is added to chapter 46.20 RCW to read as follows:

(1) Subject to the availability of funds appropriated for this purpose, any person who is a male citizen or noncitizen of the United States, who applies for an original, the renewal of, or a replacement instruction permit, intermediate license, driver's license, or identicard under this chapter, and who is under the age of twenty-six, must be given the opportunity to register as required by the military selective service act (62 Stat. 604; 50 App. U.S.C. Sec. 451 et seq.), as amended.

(2) The submission of an application by an applicant under subsection (1) of this section indicates that:

(a) The applicant has already registered with the selective service system;

(b) The applicant authorizes the department to forward to the selective service system the necessary personal information required for registration into the system; or

(c) The applicant declines registration for purposes of the military selective service act (62 Stat. 604; 50 App. U.S.C. Sec. 451 et seq.), as amended, in conjunction with the submission of an application under subsection (1) of this section.

(3)(a) The department shall forward electronically any necessary personal information of the applicant to the selective service system within ten days of receipt of the application, as authorized under subsection (2)(b) of this section.

(b) When applicable, the department shall notify the applicant at the time of application submission that, by submitting the application, the applicant authorizes the department to register the applicant with the selective service system. If the applicant is under the age of eighteen at the time of application, the department shall notify the applicant that he will be registered with the selective service system as required by federal law. When providing notice under this subsection (3)(b), the department shall provide the applicant with materials containing the following statement:

"By submitting this application, I am consenting to registration with the Selective Service System, if so required by federal law. If under age 18, I understand that I will be registered as required by federal law when I attain age 18."

(4)(a) If an applicant declines to register with the selective service system under subsection (2)(c) of this section, the department may not create a record indicating that the applicant declined to register.

(b) Any department information that indicates that an applicant has declined to register under subsection (2)(c) of this section is exempt from the disclosure requirements under chapter 42.56 RCW, and the department may not disclose the information to any other government agency.

(5) The department may not deny the issuance of an instruction permit, intermediate license, driver's license, or identicard if the applicant declines to register with the selective service system, provided that the applicant meets all other requirements of this chapter.

(6) The department may provide selective service system registration information to applicants who choose to decline the opportunity to register with the selective service system if the applicant requests registration information.

(7) The department may adopt rules as necessary to implement this section.

Sec. 2. RCW 42.56.230 and 2010 c 106 s 102 are each amended to read as follows:

The following personal information is exempt from public inspection and copying under this chapter:

(1) Personal information in any files maintained for students in public schools, patients or clients of public institutions or public health agencies, or welfare recipients;

(2) Personal information in files maintained for employees, appointees, or elected officials of any public agency to the extent that disclosure would violate their right to privacy;

(3) Information required of any taxpayer in connection with the assessment or collection of any tax if the disclosure of the information to other persons would: (a) Be prohibited to such persons by RCW 84.08.210, 82.32.330, 84.40.020, 84.40.340, or any ordinance authorized under RCW 35.102.145; or (b) violate the taxpayer's right to privacy or result in unfair competitive disadvantage to the taxpayer;

(4) Credit card numbers, debit card numbers, electronic check numbers, card expiration dates, or bank or other financial account numbers, except when disclosure is expressly required by or governed by other law;

(5) Personal and financial information related to a small loan or any system of authorizing a small loan in RCW 31.45.093; and

(6)(a) Documents and related materials and scanned images of documents and related materials used to prove identity, age, residential address, social security number, or other personal information required to apply for a driver's license or identocard.

(b) Information provided under section 1 of this act that indicates that an applicant declined to register with the selective service system.

NEW SECTION. Sec. 3. This act takes effect January 1, 2012.

Passed by the House February 22, 2011.

Passed by the Senate April 8, 2011.

Approved by the Governor May 16, 2011.

Filed in Office of Secretary of State May 17, 2011.

CHAPTER 351

[House Bill 1418]

MILITARY TRAINING—LICENSING REQUIREMENTS

AN ACT Relating to evaluating military training and experience toward meeting licensing requirements; adding a new section to chapter 18.08 RCW; adding a new section to chapter 18.11 RCW; adding a new section to chapter 18.16 RCW; adding a new section to chapter 18.39 RCW; adding a new section to chapter 18.43 RCW; adding a new section to chapter 18.85 RCW; adding a new section to chapter 18.96 RCW; adding a new section to chapter 18.140 RCW; adding a new section to chapter 18.145 RCW; adding a new section to chapter 18.165 RCW; adding a new section to chapter 18.170 RCW; adding a new section to chapter 18.185 RCW; adding a new section to chapter 18.210 RCW; adding a new section to chapter 18.220 RCW; adding a new section to chapter 18.280 RCW; adding a new section to chapter 18.300 RCW; adding a new section to chapter 19.105 RCW; adding a new section to chapter 42.44 RCW; adding a new section to chapter 46.82 RCW; adding a new section to chapter 64.36 RCW; and adding a new section to chapter 67.08 RCW.

Be it enacted by the Legislature of the State of Washington:

NEW SECTION. Sec. 1. A new section is added to chapter 18.08 RCW to read as follows:

An applicant with military training or experience satisfies the training or experience requirements of this chapter unless the board determines that the military training or experience is not substantially equivalent to the standards of this state.

NEW SECTION. Sec. 2. A new section is added to chapter 18.11 RCW to read as follows:

An applicant with military training or experience satisfies the training or experience requirements of this chapter unless the director determines that the military training or experience is not substantially equivalent to the standards of this state.

NEW SECTION. Sec. 3. A new section is added to chapter 18.16 RCW to read as follows:

An applicant with military training or experience satisfies the training or experience requirements of this chapter unless the director determines that the military training or experience is not substantially equivalent to the standards of this state.

NEW SECTION. Sec. 4. A new section is added to chapter 18.39 RCW to read as follows:

An applicant with military training or experience satisfies the training or experience requirements of this chapter unless the board determines that the military training or experience is not substantially equivalent to the standards of this state.

NEW SECTION. Sec. 5. A new section is added to chapter 18.43 RCW to read as follows:

An applicant with military training or experience satisfies the training or experience requirements of this chapter unless the board determines that the military training or experience is not substantially equivalent to the standards of this state.

NEW SECTION. Sec. 6. A new section is added to chapter 18.85 RCW to read as follows:

An applicant with military training or experience satisfies the training or experience requirements of this chapter unless the director determines that the military training or experience is not substantially equivalent to the standards of this state.

NEW SECTION. Sec. 7. A new section is added to chapter 18.96 RCW to read as follows:

An applicant with military training or experience satisfies the training or experience requirements of this chapter unless the board determines that the military training or experience is not substantially equivalent to the standards of this state.

NEW SECTION. Sec. 8. A new section is added to chapter 18.140 RCW to read as follows:

An applicant with military training or experience satisfies the training or experience requirements of this chapter unless the director determines that the military training or experience is not substantially equivalent to the standards of this state.

NEW SECTION. Sec. 9. A new section is added to chapter 18.145 RCW to read as follows:

An applicant with military training or experience satisfies the training or experience requirements of this chapter unless the director determines that the military training or experience is not substantially equivalent to the standards of this state.

NEW SECTION. Sec. 10. A new section is added to chapter 18.165 RCW to read as follows:

An applicant with military training or experience satisfies the training or experience requirements of this chapter unless the director determines that the military training or experience is not substantially equivalent to the standards of this state.

NEW SECTION. Sec. 11. A new section is added to chapter 18.170 RCW to read as follows:

An applicant with military training or experience satisfies the training or experience requirements of this chapter unless the director determines that the military training or experience is not substantially equivalent to the standards of this state.

NEW SECTION. Sec. 12. A new section is added to chapter 18.185 RCW to read as follows:

An applicant with military training or experience satisfies the training or experience requirements of this chapter unless the director determines that the military training or experience is not substantially equivalent to the standards of this state.

NEW SECTION. Sec. 13. A new section is added to chapter 18.210 RCW to read as follows:

An applicant with military training or experience satisfies the training or experience requirements of this chapter unless the director determines that the military training or experience is not substantially equivalent to the standards of this state.

NEW SECTION. Sec. 14. A new section is added to chapter 18.220 RCW to read as follows:

An applicant with military training or experience satisfies the training or experience requirements of this chapter unless the board determines that the military training or experience is not substantially equivalent to the standards of this state.

NEW SECTION. Sec. 15. A new section is added to chapter 18.280 RCW to read as follows:

An applicant with military training or experience satisfies the training or experience requirements of this chapter unless the director determines that the military training or experience is not substantially equivalent to the standards of this state.

NEW SECTION. Sec. 16. A new section is added to chapter 18.300 RCW to read as follows:

An applicant with military training or experience satisfies the training or experience requirements of this chapter unless the director determines that the military training or experience is not substantially equivalent to the standards of this state.

NEW SECTION. Sec. 17. A new section is added to chapter 19.105 RCW to read as follows:

An applicant with military training or experience satisfies the training or experience requirements of this chapter unless the director determines that the military training or experience is not substantially equivalent to the standards of this state.

NEW SECTION. Sec. 18. A new section is added to chapter 42.44 RCW to read as follows:

An applicant with military training or experience satisfies the training or experience requirements of this chapter unless the director determines that the military training or experience is not substantially equivalent to the standards of this state.

NEW SECTION. Sec. 19. A new section is added to chapter 46.82 RCW to read as follows:

An applicant with military training or experience satisfies the training or experience requirements of this chapter unless the director determines that the

military training or experience is not substantially equivalent to the standards of this state.

NEW SECTION. Sec. 20. A new section is added to chapter 64.36 RCW to read as follows:

An applicant with military training or experience satisfies the training or experience requirements of this chapter unless the director determines that the military training or experience is not substantially equivalent to the standards of this state.

NEW SECTION. Sec. 21. A new section is added to chapter 67.08 RCW to read as follows:

An applicant with military training or experience satisfies the training or experience requirements of this chapter unless the director determines that the military training or experience is not substantially equivalent to the standards of this state.

Passed by the House April 15, 2011.

Passed by the Senate April 12, 2011.

Approved by the Governor May 16, 2011.

Filed in Office of Secretary of State May 17, 2011.

CHAPTER 352

[Senate Bill 5806]

VETERAN LOTTERY RAFFLE

AN ACT Relating to a veteran lottery raffle; amending RCW 67.70.240; adding a new section to chapter 67.70 RCW; and creating a new section.

Be it enacted by the Legislature of the State of Washington:

NEW SECTION. Sec. 1. In recognition of the extraordinary sacrifices made by the men and women serving in the United States armed forces, including Washington state's national guard and reserves, the legislature intends to authorize an ongoing source of funding to preserve the veterans innovations program. This important program provides assistance to military members and their families who face extreme financial hardships due to extended deployments.

NEW SECTION. Sec. 2. A new section is added to chapter 67.70 RCW to read as follows:

Beginning in calendar year 2011, and on an annual basis thereafter, the lottery will offer a statewide raffle to benefit veterans and their families. The veterans raffle ticket will go on sale on Labor Day with a drawing to occur on Veteran's Day, November 11th of each year.

Sec. 3. RCW 67.70.240 and 2010 1st sp.s. c 27 s 3 are each amended to read as follows:

The moneys in the state lottery account shall be used only:

(1) For the payment of prizes to the holders of winning lottery tickets or shares;

(2) For purposes of making deposits into the reserve account created by RCW 67.70.250 and into the lottery administrative account created by RCW 67.70.260;

(3) For purposes of making deposits into the education construction fund created in RCW 43.135.045 and the Washington opportunity pathways account created in RCW 28B.76.526. On and after July 1, 2010, all deposits not otherwise obligated under this section shall be placed in the Washington opportunity pathways account. Moneys in the state lottery account deposited in the Washington opportunity pathways account are included in "general state revenues" under RCW 39.42.070;

(4) For distribution to a county for the purpose of paying the principal and interest payments on bonds issued by the county to construct a baseball stadium, as defined in RCW 82.14.0485, including reasonably necessary preconstruction costs. Three million dollars shall be distributed under this subsection during calendar year 1996. During subsequent years, such distributions shall equal the prior year's distributions increased by four percent. Distributions under this subsection shall cease when the bonds issued for the construction of the baseball stadium are retired, but not more than twenty years after the tax under RCW 82.14.0485 is first imposed;

(5) For distribution to the stadium and exhibition center account, created in RCW 43.99N.060. Subject to the conditions of RCW 43.99N.070, six million dollars shall be distributed under this subsection during the calendar year 1998. During subsequent years, such distribution shall equal the prior year's distributions increased by four percent. No distribution may be made under this subsection after December 31, 1999, unless the conditions for issuance of the bonds under RCW 43.99N.020(2) are met. Distributions under this subsection shall cease when the bonds are retired, but not later than December 31, 2020;

(6) For transfer to the veterans innovations program account. The net revenues received from the sale of the annual Veteran's Day lottery raffle conducted under section 2 of this act must be deposited into the veterans innovations program account created in RCW 43.60A.185 for purposes of serving veterans and their families. For purposes under this subsection, "net revenues" means all revenues received from the sale of veteran lottery raffle tickets less the sum of the amount paid out in prizes and the actual administration expenses of the lottery solely related to the veteran lottery raffle.

(7) For the purchase and promotion of lottery games and game-related services; and

~~((7))~~ (8) For the payment of agent compensation.

The office of financial management shall require the allotment of all expenses paid from the account and shall report to the ways and means committees of the senate and house of representatives any changes in the allotments.

Passed by the Senate April 6, 2011.

Passed by the House April 19, 2011.

Approved by the Governor May 16, 2011.

Filed in Office of Secretary of State May 17, 2011.

CHAPTER 353

[Engrossed Substitute House Bill 1478]

LOCAL GOVERNMENTS—FISCAL RELIEF—DELAY OF REQUIREMENTS

AN ACT Relating to fiscal relief for cities and counties during periods of economic downturn by delaying or modifying certain regulatory and statutory requirements; amending RCW 36.70A.215, 43.19.648, 43.325.080, 43.185C.210, 46.68.113, 82.02.070, 82.02.080, 82.14.415, 90.46.015, 90.48.260, 90.58.080, and 90.58.090; reenacting and amending RCW 36.70A.130; and creating a new section.

Be it enacted by the Legislature of the State of Washington:

NEW SECTION. Sec. 1. It is the legislature's intent to provide local governments with more time to meet certain statutory requirements. Many cities and counties in Washington are facing revenue shortfalls, higher expenses, and more difficulty with borrowing money as a result of the economic downturn. The effects of the economic downturn on the budgets of local governments will be felt most deeply from 2010 to 2012. Local governments are facing the combined impact of decreased tax revenues, a falloff in state and federal aid, and increased demand for social services. With the loss of tax revenue and state and federal aid, local governments are being forced to make significant cuts that will eliminate jobs, curtail essential services, and increase the number of people in need. Additionally, local governments are struggling to comply with certain statutory requirements. Local governments want to comply with these statutory requirements, but with budget constraints, they need more time to do so. The legislature does not intend to remove any existing statutory requirement, but rather modify the time under which a local government must meet certain statutory requirements.

Sec. 2. RCW 36.70A.130 and 2010 c 216 s 1 and 2010 c 211 s 2 are each reenacted and amended to read as follows:

(1)(a) Each comprehensive land use plan and development regulations shall be subject to continuing review and evaluation by the county or city that adopted them. Except as otherwise provided, a county or city shall take legislative action to review and, if needed, revise its comprehensive land use plan and development regulations to ensure the plan and regulations comply with the requirements of this chapter according to the deadlines in subsections (4) and (5) of this section.

(b) Except as otherwise provided, a county or city not planning under RCW 36.70A.040 shall take action to review and, if needed, revise its policies and development regulations regarding critical areas and natural resource lands adopted according to this chapter to ensure these policies and regulations comply with the requirements of this chapter according to the deadlines in subsections (4) and (5) of this section. Legislative action means the adoption of a resolution or ordinance following notice and a public hearing indicating at a minimum, a finding that a review and evaluation has occurred and identifying the revisions made, or that a revision was not needed and the reasons therefor.

(c) ~~((The review and evaluation required by this subsection may be combined with the review required by subsection (3) of this section.))~~ The review and evaluation required by this subsection shall include, but is not limited to, consideration of critical area ordinances and, if planning under RCW 36.70A.040, an analysis of the population allocated to a city or county from the most recent ten-year population forecast by the office of financial management.

(d) Any amendment of or revision to a comprehensive land use plan shall conform to this chapter. Any amendment of or revision to development regulations shall be consistent with and implement the comprehensive plan.

(2)(a) Each county and city shall establish and broadly disseminate to the public a public participation program consistent with RCW 36.70A.035 and 36.70A.140 that identifies procedures and schedules whereby updates, proposed amendments, or revisions of the comprehensive plan are considered by the governing body of the county or city no more frequently than once every year. "Updates" means to review and revise, if needed, according to subsection (1) of this section, and the deadlines in subsections (4) and (5) of this section or in accordance with the provisions of subsection (6) of this section. Amendments may be considered more frequently than once per year under the following circumstances:

(i) The initial adoption of a subarea plan. Subarea plans adopted under this subsection (2)(a)(i) must clarify, supplement, or implement jurisdiction-wide comprehensive plan policies, and may only be adopted if the cumulative impacts of the proposed plan are addressed by appropriate environmental review under chapter 43.21C RCW;

(ii) The development of an initial subarea plan for economic development located outside of the one hundred year floodplain in a county that has completed a state-funded pilot project that is based on watershed characterization and local habitat assessment;

(iii) The adoption or amendment of a shoreline master program under the procedures set forth in chapter 90.58 RCW;

(iv) The amendment of the capital facilities element of a comprehensive plan that occurs concurrently with the adoption or amendment of a county or city budget; or

(v) The adoption of comprehensive plan amendments necessary to enact a planned action under RCW 43.21C.031(2), provided that amendments are considered in accordance with the public participation program established by the county or city under this subsection (2)(a) and all persons who have requested notice of a comprehensive plan update are given notice of the amendments and an opportunity to comment.

(b) Except as otherwise provided in (a) of this subsection, all proposals shall be considered by the governing body concurrently so the cumulative effect of the various proposals can be ascertained. However, after appropriate public participation a county or city may adopt amendments or revisions to its comprehensive plan that conform with this chapter whenever an emergency exists or to resolve an appeal of a comprehensive plan filed with the growth management hearings board or with the court.

(3)(a) Each county that designates urban growth areas under RCW 36.70A.110 shall review, ~~((at least every ten years))~~ according to the schedules established in subsection (5) of this section, its designated urban growth area or areas, and the densities permitted within both the incorporated and unincorporated portions of each urban growth area. In conjunction with this review by the county, each city located within an urban growth area shall review the densities permitted within its boundaries, and the extent to which the urban growth occurring within the county has located within each city and the unincorporated portions of the urban growth areas.

(b) The county comprehensive plan designating urban growth areas, and the densities permitted in the urban growth areas by the comprehensive plans of the county and each city located within the urban growth areas, shall be revised to accommodate the urban growth projected to occur in the county for the succeeding twenty-year period. The review required by this subsection may be combined with the review and evaluation required by RCW 36.70A.215.

(4) Except as provided in subsection (6) of this section, counties and cities shall take action to review and, if needed, revise their comprehensive plans and development regulations to ensure the plan and regulations comply with the requirements of this chapter as follows:

(a) On or before December 1, 2004, for Clallam, Clark, Jefferson, King, Kitsap, Pierce, Snohomish, Thurston, and Whatcom counties and the cities within those counties;

(b) On or before December 1, 2005, for Cowlitz, Island, Lewis, Mason, San Juan, Skagit, and Skamania counties and the cities within those counties;

(c) On or before December 1, 2006, for Benton, Chelan, Douglas, Grant, Kittitas, Spokane, and Yakima counties and the cities within those counties; and

(d) On or before December 1, 2007, for Adams, Asotin, Columbia, Ferry, Franklin, Garfield, Grays Harbor, Klickitat, Lincoln, Okanogan, Pacific, Pend Oreille, Stevens, Wahkiakum, Walla Walla, and Whitman counties and the cities within those counties.

(5) Except as otherwise provided in subsection (6) of this section, following the review of comprehensive plans and development regulations required by subsection (4) of this section, counties and cities shall take action to review and, if needed, revise their comprehensive plans and development regulations to ensure the plan and regulations comply with the requirements of this chapter as follows:

(a) On or before ~~((December 1, 2014))~~ June 30, 2015, and every ~~((seven))~~ eight years thereafter, for ~~((Clallam, Clark, Jefferson,))~~ King, ~~((Kitsap,))~~ Pierce, and Snohomish~~((, Thurston, and Whatcom))~~ counties and the cities within those counties;

(b) On or before ~~((December 1, 2015))~~ June 30, 2016, and every ~~((seven))~~ eight years thereafter, for ~~((Cowlitz,))~~ Clallam, Clark, Island, ~~((Lewis))~~ Jefferson, Kitsap, Mason, San Juan, Skagit, Thurston, and ~~((Skamania))~~ Whatcom counties and the cities within those counties;

(c) On or before ~~((December 1, 2016))~~ June 30, 2017, and every ~~((seven))~~ eight years thereafter, for Benton, Chelan, Cowlitz, Douglas, ~~((Grant,))~~ Kittitas, Lewis, Skamania, Spokane, and Yakima counties and the cities within those counties; and

(d) On or before ~~((December 1, 2017))~~ June 30, 2018, and every ~~((seven))~~ eight years thereafter, for Adams, Asotin, Columbia, Ferry, Franklin, Garfield, Grant, Grays Harbor, Klickitat, Lincoln, Okanogan, Pacific, Pend Oreille, Stevens, Wahkiakum, Walla Walla, and Whitman counties and the cities within those counties.

(6)(a) Nothing in this section precludes a county or city from conducting the review and evaluation required by this section before the deadlines established in subsections (4) and (5) of this section. Counties and cities may begin this process early and may be eligible for grants from the department, subject to available funding, if they elect to do so.

(b) A county that is subject to a deadline established in subsection (4)(b) through (d) of this section and meets the following criteria may comply with the requirements of this section at any time within the thirty-six months following the deadline established in subsection (4) of this section: The county has a population of less than fifty thousand and has had its population increase by no more than seventeen percent in the ten years preceding the deadline established in subsection (4) of this section as of that date.

(c) A city that is subject to a deadline established in subsection (4)(b) through (d) of this section and meets the following criteria may comply with the requirements of this section at any time within the thirty-six months following the deadline established in subsection (4) of this section: The city has a population of no more than five thousand and has had its population increase by the greater of either no more than one hundred persons or no more than seventeen percent in the ten years preceding the deadline established in subsection (4) of this section as of that date.

(d) A county or city that is subject to a deadline established in subsection (4)(d) of this section and that meets the criteria established in subsection (6)(b) or (c) of this section may comply with the requirements of subsection (4)(d) of this section at any time within the thirty-six months after the extension provided in subsection (6)(b) or (c) of this section.

(e) A county that is subject to a deadline established in subsection (5)(b) through (d) of this section and meets the following criteria may comply with the requirements of this section at any time within the twenty-four months following the deadline established in subsection (5) of this section: The county has a population of less than fifty thousand and has had its population increase by no more than seventeen percent in the ten years preceding the deadline established in subsection (5) of this section as of that date.

(f) A city that is subject to a deadline established in subsection (5)(b) through (d) of this section and meets the following criteria may comply with the requirements of this section at any time within the twenty-four months following the deadline established in subsection (5) of this section: The city has a population of no more than five thousand and has had its population increase by the greater of either no more than one hundred persons or no more than seventeen percent in the ten years preceding the deadline established in subsection (5) of this section as of that date.

(g) State agencies are encouraged to provide technical assistance to the counties and cities in the review of critical area ordinances, comprehensive plans, and development regulations.

(7)(a) The requirements imposed on counties and cities under this section shall be considered "requirements of this chapter" under the terms of RCW 36.70A.040(1). Only those counties and cities that meet the following criteria may receive grants, loans, pledges, or financial guarantees under chapter 43.155 or 70.146 RCW:

- (i) Complying with the deadlines in this section;
- (ii) Demonstrating substantial progress towards compliance with the schedules in this section for development regulations that protect critical areas; or
- (iii) Complying with the extension provisions of subsection (6)(b), (c), or (d) of this section.

(b) A county or city that is fewer than twelve months out of compliance with the schedules in this section for development regulations that protect critical areas is making substantial progress towards compliance. Only those counties and cities in compliance with the schedules in this section may receive preference for grants or loans subject to the provisions of RCW 43.17.250.

Sec. 3. RCW 36.70A.215 and 1997 c 429 s 25 are each amended to read as follows:

(1) Subject to the limitations in subsection (7) of this section, a county shall adopt, in consultation with its cities, countywide planning policies to establish a review and evaluation program. This program shall be in addition to the requirements of RCW 36.70A.110, 36.70A.130, and 36.70A.210. In developing and implementing the review and evaluation program required by this section, the county and its cities shall consider information from other appropriate jurisdictions and sources. The purpose of the review and evaluation program shall be to:

(a) Determine whether a county and its cities are achieving urban densities within urban growth areas by comparing growth and development assumptions, targets, and objectives contained in the countywide planning policies and the county and city comprehensive plans with actual growth and development that has occurred in the county and its cities; and

(b) Identify reasonable measures, other than adjusting urban growth areas, that will be taken to comply with the requirements of this chapter.

(2) The review and evaluation program shall:

(a) Encompass land uses and activities both within and outside of urban growth areas and provide for annual collection of data on urban and rural land uses, development, critical areas, and capital facilities to the extent necessary to determine the quantity and type of land suitable for development, both for residential and employment-based activities;

(b) Provide for evaluation of the data collected under (a) of this subsection ~~((every five years))~~ as provided in subsection (3) of this section. ~~((The first evaluation shall be completed not later than September 1, 2002.))~~ The evaluation shall be completed no later than one year prior to the deadline for review and, if necessary, update of comprehensive plans and development regulations as required by RCW 36.70A.130. The county and its cities may establish in the countywide planning policies indicators, benchmarks, and other similar criteria to use in conducting the evaluation;

(c) Provide for methods to resolve disputes among jurisdictions relating to the countywide planning policies required by this section and procedures to resolve inconsistencies in collection and analysis of data; and

(d) Provide for the amendment of the countywide policies and county and city comprehensive plans as needed to remedy an inconsistency identified through the evaluation required by this section, or to bring these policies into compliance with the requirements of this chapter.

(3) At a minimum, the evaluation component of the program required by subsection (1) of this section shall:

(a) Determine whether there is sufficient suitable land to accommodate the countywide population projection established for the county pursuant to RCW 43.62.035 and the subsequent population allocations within the county and between the county and its cities and the requirements of RCW 36.70A.110;

(b) Determine the actual density of housing that has been constructed and the actual amount of land developed for commercial and industrial uses within the urban growth area since the adoption of a comprehensive plan under this chapter or since the last periodic evaluation as required by subsection (1) of this section; and

(c) Based on the actual density of development as determined under (b) of this subsection, review commercial, industrial, and housing needs by type and density range to determine the amount of land needed for commercial, industrial, and housing for the remaining portion of the twenty-year planning period used in the most recently adopted comprehensive plan.

(4) If the evaluation required by subsection (3) of this section demonstrates an inconsistency between what has occurred since the adoption of the countywide planning policies and the county and city comprehensive plans and development regulations and what was envisioned in those policies and plans and the planning goals and the requirements of this chapter, as the inconsistency relates to the evaluation factors specified in subsection (3) of this section, the county and its cities shall adopt and implement measures that are reasonably likely to increase consistency during the subsequent five-year period. If necessary, a county, in consultation with its cities as required by RCW 36.70A.210, shall adopt amendments to countywide planning policies to increase consistency. The county and its cities shall annually monitor the measures adopted under this subsection to determine their effect and may revise or rescind them as appropriate.

(5)(a) Not later than July 1, 1998, the department shall prepare a list of methods used by counties and cities in carrying out the types of activities required by this section. The department shall provide this information and appropriate technical assistance to counties and cities required to or choosing to comply with the provisions of this section.

(b) By December 31, 2007, the department shall submit to the appropriate committees of the legislature a report analyzing the effectiveness of the activities described in this section in achieving the goals envisioned by the countywide planning policies and the comprehensive plans and development regulations of the counties and cities.

(6) From funds appropriated by the legislature for this purpose, the department shall provide grants to counties, cities, and regional planning organizations required under subsection (7) of this section to conduct the review and perform the evaluation required by this section.

(7) The provisions of this section shall apply to counties, and the cities within those counties, that were greater than one hundred fifty thousand in population in 1995 as determined by office of financial management population estimates and that are located west of the crest of the Cascade mountain range. Any other county planning under RCW 36.70A.040 may carry out the review, evaluation, and amendment programs and procedures as provided in this section.

Sec. 4. RCW 43.19.648 and 2009 c 459 s 7 are each amended to read as follows:

(1) Effective June 1, 2015, all state agencies (~~and local government subdivisions of the state~~), to the extent determined practicable by the rules adopted by the department of (~~community, trade, and economic development~~) commerce pursuant to RCW 43.325.080, are required to satisfy one hundred

percent of their fuel usage for operating publicly owned vessels, vehicles, and construction equipment from electricity or biofuel.

(2) Effective June 1, 2018, all local government subdivisions of the state, to the extent determined practicable by the rules adopted by the department of commerce pursuant to RCW 43.325.080, are required to satisfy one hundred percent of their fuel usage for operating publicly owned vessels, vehicles, and construction equipment from electricity or biofuel.

(3) In order to phase in this transition for the state, all state agencies, to the extent determined practicable by the department of ((community, trade, and economic development)) commerce by rules adopted pursuant to RCW 43.325.080, are required to achieve forty percent fuel usage for operating publicly owned vessels, vehicles, and construction equipment from electricity or biofuel by June 1, 2013. The department of general administration, in consultation with the department of ((community, trade, and economic development)) commerce, shall report to the governor and the legislature by December 1, 2013, on what percentage of the state's fuel usage is from electricity or biofuel.

~~((3))~~ (4) Except for cars owned or operated by the Washington state patrol, when tires on vehicles in the state's motor vehicle fleet are replaced, they must be replaced with tires that have the same or better rolling resistance as the original tires.

~~((4))~~ (5) By December 31, 2015, the state must, to the extent practicable, install electrical outlets capable of charging electric vehicles in each of the state's fleet parking and maintenance facilities.

~~((5))~~ (6) The department of transportation's obligations under subsection ((2)) (3) of this section are subject to the availability of amounts appropriated for the specific purpose identified in subsection ((2)) (3) of this section.

~~((6))~~ (7) The department of transportation's obligations under subsection ((4)) (5) of this section are subject to the availability of amounts appropriated for the specific purpose identified in subsection ((4)) (5) of this section unless the department receives federal or private funds for the specific purpose identified in subsection ((4)) (5) of this section.

~~((7))~~ (8) The definitions in this subsection apply throughout this section unless the context clearly requires otherwise.

(a) "Battery charging station" means an electrical component assembly or cluster of component assemblies designed specifically to charge batteries within electric vehicles, which meet or exceed any standards, codes, and regulations set forth by chapter 19.28 RCW and consistent with rules adopted under RCW 19.27.540.

(b) "Battery exchange station" means a fully automated facility that will enable an electric vehicle with a swappable battery to enter a drive lane and exchange the depleted battery with a fully charged battery through a fully automated process, which meets or exceeds any standards, codes, and regulations set forth by chapter 19.28 RCW and consistent with rules adopted under RCW 19.27.540.

Sec. 5. RCW 43.325.080 and 2007 c 348 s 204 are each amended to read as follows:

(1) By June 1, 2010, the department shall adopt rules to define practicability and clarify how state agencies ((and local government subdivisions)) will be

evaluated in determining whether they have met the goals set out in RCW 43.19.648(1). At a minimum, the rules must address:

~~((1))~~ (a) Criteria for determining how the goal in RCW 43.19.648(1) will be met by June 1, 2015;

~~((2))~~ (b) Factors considered to determine compliance with the goal in RCW 43.19.648(1), including but not limited to: The regional availability of fuels; vehicle costs; differences between types of vehicles, vessels, or equipment; the cost of program implementation; and cost differentials in different parts of the state; and

~~((3))~~ (c) A schedule for phased-in progress towards meeting the goal in RCW 43.19.648(1) that may include different schedules for different fuel applications or different quantities of biofuels.

(2) By June 1, 2015, the department shall adopt rules to define practicability and clarify how local government subdivisions of the state will be evaluated in determining whether they have met the goals set out in RCW 43.19.648(2). At a minimum, the rules must address:

(a) Criteria for determining how the goal in RCW 43.19.648(2) will be met by June 1, 2018;

(b) Factors considered to determine compliance with the goal in RCW 43.19.648(2), including but not limited to: The regional availability of fuels; vehicle costs; differences between types of vehicles, vessels, or equipment; the cost of program implementation; and cost differentials in different parts of the state; and

(c) A schedule for phased-in progress towards meeting the goal in RCW 43.19.648(2) that may include different schedules for different fuel applications or different quantities of biofuels.

Sec. 6. RCW 43.185C.210 and 2008 c 256 s 1 are each amended to read as follows:

(1) The transitional housing operating and rent program is created in the department to assist individuals and families who are homeless or who are at risk of becoming homeless to secure and retain safe, decent, and affordable housing. The department shall provide grants to eligible organizations, as described in RCW 43.185.060, to provide assistance to program participants. The eligible organizations must use grant moneys for:

(a) Rental assistance, which includes security or utility deposits, first and last month's rent assistance, and eligible moving expenses to be determined by the department;

(b) Case management services designed to assist program participants to secure and retain immediate housing and to transition into permanent housing and greater levels of self-sufficiency;

(c) Operating expenses of transitional housing facilities that serve homeless families with children; and

(d) Administrative costs of the eligible organization, which must not exceed limits prescribed by the department.

(2) Eligible to receive assistance through the transitional housing operating and rent program are:

(a) Families with children who are homeless or who are at risk of becoming homeless and who have household incomes at or below fifty percent of the median household income for their county;

(b) Families with children who are homeless or who are at risk of becoming homeless and who are receiving services under chapter 13.34 RCW;

(c) Individuals or families without children who are homeless or at risk of becoming homeless and who have household incomes at or below thirty percent of the median household income for their county;

(d) Individuals or families who are homeless or who are at risk of becoming homeless and who have a household with an adult member who has a mental health or chemical dependency disorder; and

(e) Individuals or families who are homeless or who are at risk of becoming homeless and who have a household with an adult member who is an offender released from confinement within the past eighteen months.

(3) All program participants must be willing to create and actively participate in a housing stability plan for achieving permanent housing and greater levels of self-sufficiency.

(4) Data on all program participants must be entered into and tracked through the Washington homeless client management information system as described in RCW 43.185C.180. For eligible organizations serving victims of domestic violence or sexual assault, compliance with this subsection must be accomplished in accordance with 42 U.S.C. Sec. 11383(a)(8).

(5)(a) Except as provided in (b) of this subsection, beginning in 2011, each eligible organization receiving over five hundred thousand dollars during the previous calendar year from the transitional housing operating and rent program and from sources including: ~~((a))~~ (i) State housing-related funding sources; ~~((b))~~ (ii) the affordable housing for all surcharge in RCW 36.22.178; ~~((c))~~ (iii) the home security fund surcharges in RCW 36.22.179 and 36.22.1791; and ~~((d))~~ (iv) any other surcharge imposed under chapter 36.22 or 43.185C RCW to fund homelessness programs or other housing programs, shall apply to the Washington state quality award program for an independent assessment of its quality management, accountability, and performance system, once every three years.

(b) Cities and counties are exempt from the provisions of (a) of this subsection until 2018.

(6) The department may develop rules, requirements, procedures, and guidelines as necessary to implement and operate the transitional housing operating and rent program.

(7) The department shall produce an annual transitional housing operating and rent program report that must be included in the department's homeless housing strategic plan as described in RCW 43.185C.040. The report must include performance measures to be determined by the department that address, at a minimum, the following issue areas:

(a) The success of the program in helping program participants transition into permanent affordable housing and achieve self-sufficiency or increase their levels of self-sufficiency, which shall be defined by the department based upon the costs of living, including housing costs, needed to support: (i) One adult individual; and (ii) two adult individuals and one preschool-aged child and one school-aged child;

(b) The financial performance of the program related to efficient program administration by the department and program operation by selected eligible organizations, including an analysis of the costs per program participant served;

(c) The quality, completeness, and timeliness of the information on program participants provided to the Washington homeless client management information system database; and

(d) The satisfaction of program participants in the assistance provided through the program.

Sec. 7. RCW 46.68.113 and 2006 c 334 s 21 are each amended to read as follows:

During the ~~((2003-2005))~~ 2013-2015 biennium, cities and towns shall provide to the transportation commission, or its successor entity, preservation rating information on at least seventy percent of the total city and town arterial network. Thereafter, the preservation rating information requirement shall increase in five percent increments in subsequent biennia, but in no case shall it exceed eighty percent. The rating system used by cities and towns must be based upon the Washington state pavement rating method or an equivalent standard approved by the department of transportation. Beginning January 1, 2007, the preservation rating information shall be submitted to the department.

Sec. 8. RCW 82.02.070 and 2009 c 263 s 1 are each amended to read as follows:

(1) Impact fee receipts shall be earmarked specifically and retained in special interest-bearing accounts. Separate accounts shall be established for each type of public facility for which impact fees are collected. All interest shall be retained in the account and expended for the purpose or purposes for which the impact fees were imposed. Annually, each county, city, or town imposing impact fees shall provide a report on each impact fee account showing the source and amount of all moneys collected, earned, or received and system improvements that were financed in whole or in part by impact fees.

(2) Impact fees for system improvements shall be expended only in conformance with the capital facilities plan element of the comprehensive plan.

(3)(a) Except as provided otherwise by (b) of this subsection, impact fees shall be expended or encumbered for a permissible use within ~~((six))~~ ten years of receipt, unless there exists an extraordinary and compelling reason for fees to be held longer than ~~((six))~~ ten years. Such extraordinary or compelling reasons shall be identified in written findings by the governing body of the county, city, or town.

(b) School impact fees must be expended or encumbered for a permissible use within ten years of receipt, unless there exists an extraordinary and compelling reason for fees to be held longer than ten years. Such extraordinary or compelling reasons shall be identified in written findings by the governing body of the county, city, or town.

(4) Impact fees may be paid under protest in order to obtain a permit or other approval of development activity.

(5) Each county, city, or town that imposes impact fees shall provide for an administrative appeals process for the appeal of an impact fee; the process may follow the appeal process for the underlying development approval or the county, city, or town may establish a separate appeals process. The impact fee may be modified upon a determination that it is proper to do so based on principles of fairness. The county, city, or town may provide for the resolution of disputes regarding impact fees by arbitration.

Sec. 9. RCW 82.02.080 and 1990 1st ex.s. c 17 s 47 are each amended to read as follows:

(1) The current owner of property on which an impact fee has been paid may receive a refund of such fees if the county, city, or town fails to expend or encumber the impact fees within ~~((six))~~ ten years of when the fees were paid or other such period of time established pursuant to RCW 82.02.070(3) on public facilities intended to benefit the development activity for which the impact fees were paid. In determining whether impact fees have been encumbered, impact fees shall be considered encumbered on a first in, first out basis. The county, city, or town shall notify potential claimants by first-class mail deposited with the United States postal service at the last known address of claimants.

The request for a refund must be submitted to the county, city, or town governing body in writing within one year of the date the right to claim the refund arises or the date that notice is given, whichever is later. Any impact fees that are not expended within these time limitations, and for which no application for a refund has been made within this one-year period, shall be retained and expended on the indicated capital facilities. Refunds of impact fees under this subsection shall include interest earned on the impact fees.

(2) When a county, city, or town seeks to terminate any or all impact fee requirements, all unexpended or unencumbered funds, including interest earned, shall be refunded pursuant to this section. Upon the finding that any or all fee requirements are to be terminated, the county, city, or town shall place notice of such termination and the availability of refunds in a newspaper of general circulation at least two times and shall notify all potential claimants by first-class mail to the last known address of claimants. All funds available for refund shall be retained for a period of one year. At the end of one year, any remaining funds shall be retained by the local government, but must be expended for the indicated public facilities. This notice requirement shall not apply if there are no unexpended or unencumbered balances within an account or accounts being terminated.

(3) A developer may request and shall receive a refund, including interest earned on the impact fees, when the developer does not proceed with the development activity and no impact has resulted.

Sec. 10. RCW 82.14.415 and 2009 c 550 s 1 are each amended to read as follows:

(1) The legislative authority of any city that is located in a county with a population greater than six hundred thousand that annexes an area consistent with its comprehensive plan required by chapter 36.70A RCW~~((;))~~ may impose a sales and use tax in accordance with the terms of this chapter. The tax is in addition to other taxes authorized by law and ~~((shall be))~~ is collected from those persons who are taxable by the state under chapters 82.08 and 82.12 RCW upon the occurrence of any taxable event within the city. The tax may only be imposed by a city if:

(a) The city has commenced annexation of an area having a population of at least ten thousand people, or four thousand in the case of a city described under subsection (3)(a)(i) of this section, prior to January 1, 2015; and

(b) The city legislative authority determines by resolution or ordinance that the projected cost to provide municipal services to the annexation area exceeds

the projected general revenue that the city would otherwise receive from the annexation area on an annual basis.

(2) The tax authorized under this section is a credit against the state tax under chapter 82.08 or 82.12 RCW. The department of revenue ~~((shall))~~ must perform the collection of such taxes on behalf of the city at no cost to the city and ~~((shall))~~ must remit the tax to the city as provided in RCW 82.14.060.

(3)(a) Except as provided in (b) of this subsection, the maximum rate of tax any city may impose under this section is:

(i) 0.1 percent for each annexed area in which the population is greater than ten thousand and less than twenty thousand. The ten thousand population threshold in this subsection (3)(a)(i) is four thousand for a city with a population between one hundred fifteen thousand and one hundred forty thousand and located within a county with a population over one million five hundred thousand; and

(ii) 0.2 percent for an annexed area in which the population is greater than twenty thousand.

(b) Beginning July 1, 2011, the maximum rate of tax imposed under this section is 0.85 percent for an annexed area in which the population is greater than ~~((eighteen))~~ sixteen thousand if the annexed area was, prior to November 1, 2008, officially designated as a potential annexation area by more than one city, one of which has a population greater than four hundred thousand.

(4)(a) Except as provided in (b) of this subsection, the maximum cumulative rate of tax a city may impose under subsection (3)(a) of this section is 0.2 percent for the total number of annexed areas the city may annex.

(b) The maximum cumulative rate of tax a city may impose under subsection (3)(a) of this section is 0.3 percent, beginning July 1, 2011, if the city commenced annexation of an area, prior to January 1, 2010, that would have otherwise allowed the city to increase the rate of tax imposed under this section absent the rate limit imposed in (a) of this subsection.

(c) The maximum cumulative rate of tax a city may impose under subsection (3)(b) of this section is 0.85 percent for the single annexed area the city may annex and the amount of tax distributed to a city under subsection (3)(b) of this section ~~((shall))~~ may not exceed five million dollars per fiscal year.

(5) The tax imposed by this section ~~((shall))~~ may only be imposed at the beginning of a fiscal year and ~~((shall))~~ may continue for no more than ten years from the date that each increment of the tax is first imposed. Tax rate increases due to additional annexed areas ~~((shall be))~~ are effective on July 1st of the fiscal year following the fiscal year in which the annexation occurred, provided that notice is given to the department as set forth in subsection (9) of this section.

(6) All revenue collected under this section ~~((shall))~~ may be used solely to provide, maintain, and operate municipal services for the annexation area.

(7) The revenues from the tax authorized in this section may not exceed that which the city deems necessary to generate revenue equal to the difference between the city's cost to provide, maintain, and operate municipal services for the annexation area and the general revenues that the cities would otherwise expect to receive from the annexation during a year. If the revenues from the tax authorized in this section and the revenues from the annexation area exceed the costs to the city to provide, maintain, and operate municipal services for the annexation area during a given year, the city ~~((shall))~~ must notify the department

and the tax distributions authorized in this section (~~shall~~) must be suspended for the remainder of the year.

(8) No tax may be imposed under this section before July 1, 2007. Before imposing a tax under this section, the legislative authority of a city (~~shall~~) must adopt an ordinance that includes the following:

(a) A certification that the amount needed to provide municipal services to the annexed area reflects the city's true and actual costs;

(b) The rate of tax under this section that (~~shall be~~) is imposed within the city; and

(c) The threshold amount for the first fiscal year following the annexation and passage of the ordinance.

(9) The tax (~~shall~~) must cease to be distributed to the city for the remainder of the fiscal year once the threshold amount has been reached. No later than March 1st of each year, the city (~~shall~~) must provide the department with a certification of the city's true and actual costs to provide municipal services to the annexed area, a new threshold amount for the next fiscal year, and notice of any applicable tax rate changes. Distributions of tax under this section (~~shall~~) must begin again on July 1st of the next fiscal year and continue until the new threshold amount has been reached or June 30th, whichever is sooner. Any revenue generated by the tax in excess of the threshold amount (~~shall~~) belongs to the state of Washington. Any amount resulting from the threshold amount less the total fiscal year distributions, as of June 30th, (~~shall~~) may not be carried forward to the next fiscal year.

(10) The tax (~~shall~~) must cease to be distributed to a city imposing the tax under subsection (3)(b) of this section for the remainder of the fiscal year, if the total distributions to the city imposing the tax exceed five million dollars for the fiscal year.

(11) The resident population of the annexation area must be determined in accordance with chapter 35.13 or 35A.14 RCW.

(12) The following definitions apply throughout this section unless the context clearly requires otherwise:

(a) "Annexation area" means an area that has been annexed to a city under chapter 35.13 or 35A.14 RCW. "Annexation area" includes all territory described in the city resolution.

(b) "Commenced annexation" means the initiation of annexation proceedings has taken place under the direct petition method or the election method under chapter 35.13 or 35A.14 RCW.

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

(d) "Municipal services" means those services customarily provided to the public by city government.

(e) "Fiscal year" means the year beginning July 1st and ending the following June 30th.

(f) "Potential annexation area" means one or more geographic areas that a city has officially designated for potential future annexation, as part of its comprehensive plan adoption process under the state growth management act, chapter 36.70A RCW.

(g) "Threshold amount" means the maximum amount of tax distributions as determined by the city in accordance with subsection (7) of this section that the

department (~~shall~~) must distribute to the city generated from the tax imposed under this section in a fiscal year.

Sec. 11. RCW 90.46.015 and 2009 c 456 s 2 are each amended to read as follows:

(1) The department of ecology shall, in coordination with the department of health, adopt rules for reclaimed water use consistent with this chapter. The rules must address all aspects of reclaimed water use, including commercial and industrial uses, land applications, direct groundwater recharge, wetland discharge, surface percolation, constructed wetlands, and streamflow or surface water augmentation. The department of health shall, in coordination with the department of ecology, adopt rules for greywater reuse. The rules must also designate whether the department of ecology or the department of health will be the lead agency responsible for a particular aspect of reclaimed water use. In developing the rules, the departments of health and ecology shall amend or rescind any existing rules on reclaimed water in conflict with the new rules.

(2) All rules required to be adopted pursuant to this section must be completed no later than December 31, 2010, (~~although the department of ecology is encouraged to adopt the final rules as soon as possible~~) except that the department of ecology shall adopt rules for reclaimed water use no earlier than June 30, 2013.

(3) The department of ecology must consult with the advisory committee created under RCW 90.46.050 in all aspects of rule development required under this section.

Sec. 12. RCW 90.48.260 and 2007 c 341 s 55 are each amended to read as follows:

(1) The department of ecology is hereby designated as the state water pollution control agency for all purposes of the federal clean water act as it exists on February 4, 1987, and is hereby authorized to participate fully in the programs of the act as well as to take all action necessary to secure to the state the benefits and to meet the requirements of that act. With regard to the national estuary program established by section 320 of that act, the department shall exercise its responsibility jointly with the Puget Sound partnership, created in RCW 90.71.210. The department of ecology may delegate its authority under this chapter, including its national pollutant discharge elimination permit system authority and duties regarding animal feeding operations and concentrated animal feeding operations, to the department of agriculture through a memorandum of understanding. Until any such delegation receives federal approval, the department of agriculture's adoption or issuance of animal feeding operation and concentrated animal feeding operation rules, permits, programs, and directives pertaining to water quality shall be accomplished after reaching agreement with the director of the department of ecology. Adoption or issuance and implementation shall be accomplished so that compliance with such animal feeding operation and concentrated animal feeding operation rules, permits, programs, and directives will achieve compliance with all federal and state water pollution control laws. The powers granted herein include, among others, and notwithstanding any other provisions of chapter 90.48 RCW or otherwise, the following:

~~((4))~~ (a) Complete authority to establish and administer a comprehensive state point source waste discharge or pollution discharge elimination permit program which will enable the department to qualify for full participation in any national waste discharge or pollution discharge elimination permit system and will allow the department to be the sole agency issuing permits required by such national system operating in the state of Washington subject to the provisions of RCW 90.48.262(2). Program elements authorized herein may include, but are not limited to: ~~((a))~~ (i) Effluent treatment and limitation requirements together with timing requirements related thereto; ~~((b))~~ (ii) applicable receiving water quality standards requirements; ~~((c))~~ (iii) requirements of standards of performance for new sources; ~~((d))~~ (iv) pretreatment requirements; ~~((e))~~ (v) termination and modification of permits for cause; ~~((f))~~ (vi) requirements for public notices and opportunities for public hearings; ~~((g))~~ (vii) appropriate relationships with the secretary of the army in the administration of his responsibilities which relate to anchorage and navigation, with the administrator of the environmental protection agency in the performance of his duties, and with other governmental officials under the federal clean water act; ~~((h))~~ (viii) requirements for inspection, monitoring, entry, and reporting; ~~((i))~~ (ix) enforcement of the program through penalties, emergency powers, and criminal sanctions; ~~((j))~~ (x) a continuing planning process; and ~~((k))~~ (xi) user charges.

~~((2))~~ (b) The power to establish and administer state programs in a manner which will insure the procurement of moneys, whether in the form of grants, loans, or otherwise; to assist in the construction, operation, and maintenance of various water pollution control facilities and works; and the administering of various state water pollution control management, regulatory, and enforcement programs.

~~((3))~~ (c) The power to develop and implement appropriate programs pertaining to continuing planning processes, area-wide waste treatment management plans, and basin planning.

The governor shall have authority to perform those actions required of him or her by the federal clean water act.

(2) By July 31, 2012, the department shall:

(a) Reissue without modification and for a term of one year any national pollutant discharge elimination system municipal storm water general permit first issued on January 17, 2007; and

(b) Issue an updated national pollutant discharge elimination system municipal storm water general permit for any permit first issued on January 17, 2007. An updated permit issued under this subsection shall become effective beginning August 1, 2013.

Sec. 13. RCW 90.58.080 and 2007 c 170 s 1 are each amended to read as follows:

(1) Local governments shall develop or amend a master program for regulation of uses of the shorelines of the state consistent with the required elements of the guidelines adopted by the department in accordance with the schedule established by this section.

(2)(a) Subject to the provisions of subsections (5) and (6) of this section, each local government subject to this chapter shall develop or amend its master program for the regulation of uses of shorelines within its jurisdiction according to the following schedule:

(i) On or before December 1, 2005, for the city of Port Townsend, the city of Bellingham, the city of Everett, Snohomish county, and Whatcom county;

(ii) On or before December 1, 2009, for King county and the cities within King county greater in population than ten thousand;

(iii) Except as provided by (a)(i) and (ii) of this subsection, on or before December 1, 2011, for Clallam, Clark, Jefferson, King, Kitsap, Pierce, Snohomish, Thurston, and Whatcom counties and the cities within those counties;

(iv) On or before December 1, 2012, for Cowlitz, Island, Lewis, Mason, San Juan, Skagit, and Skamania counties and the cities within those counties;

(v) On or before December 1, 2013, for Benton, Chelan, Douglas, Grant, Kittitas, Spokane, and Yakima counties and the cities within those counties; and

(vi) On or before December 1, 2014, for Adams, Asotin, Columbia, Ferry, Franklin, Garfield, Grays Harbor, Klickitat, Lincoln, Okanogan, Pacific, Pend Oreille, Stevens, Wahkiakum, Walla Walla, and Whitman counties and the cities within those counties.

(b) Nothing in this subsection (2) shall preclude a local government from developing or amending its master program prior to the dates established by this subsection (2).

(3)(a) Following approval by the department of a new or amended master program, local governments required to develop or amend master programs on or before December 1, 2009, as provided by subsection (2)(a)(i) and (ii) of this section, shall be deemed to have complied with the schedule established by subsection (2)(a)(iii) of this section and shall not be required to complete master program amendments until ~~((seven years after))~~ the applicable dates established by subsection ~~((2)(a)(iii))~~ (4)(b) of this section. Any jurisdiction listed in subsection (2)(a)(i) of this section that has a new or amended master program approved by the department on or after March 1, 2002, but before July 27, 2003, shall not be required to complete master program amendments until ~~((seven years after))~~ the applicable date provided by subsection ~~((2)(a)(iii))~~ (4)(b) of this section.

(b) Following approval by the department of a new or amended master program, local governments choosing to develop or amend master programs on or before December 1, 2009, shall be deemed to have complied with the schedule established by subsection (2)(a)(iii) through (vi) of this section and shall not be required to complete master program amendments until ~~((seven years after))~~ the applicable dates established by subsection ~~((2)(a)(iii) through (vi))~~ (4)(b) of this section.

(4)(a) Following the updates required by subsection (2) of this section, local governments shall conduct a review of their master programs at least once every ~~((seven))~~ eight years ~~((after the applicable dates established by subsection (2)(a)(iii) through (vi) of this section))~~ as required by (b) of this subsection. Following the review required by this subsection (4), local governments shall, if necessary, revise their master programs. The purpose of the review is:

~~((a))~~ (i) To assure that the master program complies with applicable law and guidelines in effect at the time of the review; and

~~((b))~~ (ii) To assure consistency of the master program with the local government's comprehensive plan and development regulations adopted under chapter 36.70A RCW, if applicable, and other local requirements.

(b) Counties and cities shall take action to review and, if necessary, revise their master programs as required by (a) of this subsection as follows:

(i) On or before June 30, 2019, and every eight years thereafter, for King, Pierce, and Snohomish counties and the cities within those counties;

(ii) On or before June 30, 2020, and every eight years thereafter, for Clallam, Clark, Island, Jefferson, Kitsap, Mason, San Juan, Skagit, Thurston, and Whatcom counties and the cities within those counties;

(iii) On or before June 30, 2021, and every eight years thereafter, for Benton, Chelan, Cowlitz, Douglas, Grant, Kittitas, Lewis, Skamania, Spokane, and Yakima counties and the cities within those counties; and

(iv) On or before June 30, 2022, and every eight years thereafter, for Adams, Asotin, Columbia, Ferry, Franklin, Garfield, Grant, Grays Harbor, Klickitat, Lincoln, Okanogan, Pacific, Pend Oreille, Stevens, Wahkiakum, Walla Walla, and Whitman counties and the cities within those counties.

(5) In meeting the update requirements of subsection (2) of this section, local governments are encouraged to begin the process of developing or amending their master programs early and are eligible for grants from the department as provided by RCW 90.58.250, subject to available funding. Except for those local governments listed in subsection (2)(a)(i) and (ii) of this section, the deadline for completion of the new or amended master programs shall be two years after the date the grant is approved by the department. Subsequent master program review dates shall not be altered by the provisions of this subsection.

(6) In meeting the update requirements of subsection (2) of this section, the following shall apply:

(a) Grants to local governments for developing and amending master programs pursuant to the schedule established by this section shall be provided at least two years before the adoption dates specified in subsection (2) of this section. To the extent possible, the department shall allocate grants within the amount appropriated for such purposes to provide reasonable and adequate funding to local governments that have indicated their intent to develop or amend master programs during the biennium according to the schedule established by subsection (2) of this section. Any local government that applies for but does not receive funding to comply with the provisions of subsection (2) of this section may delay the development or amendment of its master program until the following biennium.

(b) Local governments with delayed compliance dates as provided in (a) of this subsection shall be the first priority for funding in subsequent biennia, and the development or amendment compliance deadline for those local governments shall be two years after the date of grant approval.

(c) Failure of the local government to apply in a timely manner for a master program development or amendment grant in accordance with the requirements of the department shall not be considered a delay resulting from the provisions of (a) of this subsection.

(7) (~~Notwithstanding the provisions~~) In meeting the update requirements of subsection (2) of this section, all local governments subject to the requirements of this chapter that have not developed or amended master programs on or after March 1, 2002, shall, no later than December 1, 2014,

develop or amend their master programs to comply with guidelines adopted by the department after January 1, 2003.

(8) In meeting the update requirements of subsection (2) of this section, local governments may be provided an additional year beyond the deadlines in this section to complete their master program or amendment. The department shall grant the request if it determines that the local government is likely to adopt or amend its master program within the additional year.

Sec. 14. RCW 90.58.090 and 2003 c 321 s 3 are each amended to read as follows:

(1) A master program, segment of a master program, or an amendment to a master program shall become effective when approved by the department. Within the time period provided in RCW 90.58.080, each local government shall have submitted a master program, either totally or by segments, for all shorelines of the state within its jurisdiction to the department for review and approval.

The department shall strive to achieve final action on a submitted master program within one hundred eighty days of receipt and shall post an annual assessment related to this performance benchmark on the agency web site.

(2) Upon receipt of a proposed master program or amendment, the department shall:

(a) Provide notice to and opportunity for written comment by all interested parties of record as a part of the local government review process for the proposal and to all persons, groups, and agencies that have requested in writing notice of proposed master programs or amendments generally or for a specific area, subject matter, or issue. The comment period shall be at least thirty days, unless the department determines that the level of complexity or controversy involved supports a shorter period;

(b) In the department's discretion, conduct a public hearing during the thirty-day comment period in the jurisdiction proposing the master program or amendment;

(c) Within fifteen days after the close of public comment, request the local government to review the issues identified by the public, interested parties, groups, and agencies and provide a written response as to how the proposal addresses the identified issues;

(d) Within thirty days after receipt of the local government response pursuant to (c) of this subsection, make written findings and conclusions regarding the consistency of the proposal with the policy of RCW 90.58.020 and the applicable guidelines, provide a response to the issues identified in (c) of this subsection, and either approve the proposal as submitted, recommend specific changes necessary to make the proposal approvable, or deny approval of the proposal in those instances where no alteration of the proposal appears likely to be consistent with the policy of RCW 90.58.020 and the applicable guidelines. The written findings and conclusions shall be provided to the local government, all interested persons, parties, groups, and agencies of record on the proposal;

(e) If the department recommends changes to the proposed master program or amendment, within thirty days after the department mails the written findings and conclusions to the local government, the local government may:

(i) Agree to the proposed changes. The receipt by the department of the written notice of agreement constitutes final action by the department approving the amendment; or

(ii) Submit an alternative proposal. If, in the opinion of the department, the alternative is consistent with the purpose and intent of the changes originally submitted by the department and with this chapter it shall approve the changes and provide written notice to all recipients of the written findings and conclusions. If the department determines the proposal is not consistent with the purpose and intent of the changes proposed by the department, the department may resubmit the proposal for public and agency review pursuant to this section or reject the proposal.

(3) The department shall approve the segment of a master program relating to shorelines unless it determines that the submitted segments are not consistent with the policy of RCW 90.58.020 and the applicable guidelines.

(4) The department shall approve the segment of a master program relating to critical areas as defined by RCW 36.70A.030(5) provided the master program segment is consistent with RCW 90.58.020 and applicable shoreline guidelines, and if the segment provides a level of protection of critical areas at least equal to that provided by the local government's critical areas ordinances adopted and thereafter amended pursuant to RCW 36.70A.060(2).

(5) The department shall approve those segments of the master program relating to shorelines of statewide significance only after determining the program provides the optimum implementation of the policy of this chapter to satisfy the statewide interest. If the department does not approve a segment of a local government master program relating to a shoreline of statewide significance, the department may develop and by rule adopt an alternative to the local government's proposal.

(6) In the event a local government has not complied with the requirements of RCW 90.58.070 it may thereafter upon written notice to the department elect to adopt a master program for the shorelines within its jurisdiction, in which event it shall comply with the provisions established by this chapter for the adoption of a master program for such shorelines.

Upon approval of such master program by the department it shall supersede such master program as may have been adopted by the department for such shorelines.

(7) A master program or amendment to a master program takes effect when and in such form as approved or adopted by the department. Shoreline master programs that were adopted by the department prior to July 22, 1995, in accordance with the provisions of this section then in effect, shall be deemed approved by the department in accordance with the provisions of this section that became effective on that date. The department shall maintain a record of each master program, the action taken on any proposal for adoption or amendment of the master program, and any appeal of the department's action. The department's approved document of record constitutes the official master program.

Passed by the House April 22, 2011.

Passed by the Senate April 22, 2011.

Approved by the Governor May 16, 2011.

Filed in Office of Secretary of State May 17, 2011.

CHAPTER 354

[House Bill 1953]

LOCAL REAL ESTATE EXCISE TAXES

AN ACT Relating to county and city real estate excise taxes; amending RCW 82.46.010 and 82.46.035; reenacting and amending RCW 82.46.035; providing an effective date; and providing an expiration date.

Be it enacted by the Legislature of the State of Washington:

Sec. 1. RCW 82.46.010 and 1994 c 272 s 1 are each amended to read as follows:

(1) The legislative authority of any county or city (~~shall~~) must identify in the adopted budget the capital projects funded in whole or in part from the proceeds of the tax authorized in this section, and (~~shall~~) must indicate that such tax is intended to be in addition to other funds that may be reasonably available for such capital projects.

(2)(a) The legislative authority of any county or any city may impose an excise tax on each sale of real property in the unincorporated areas of the county for the county tax and in the corporate limits of the city for the city tax at a rate not exceeding one-quarter of one percent of the selling price. The revenues from this tax (~~shall~~) must be used by any city or county with a population of five thousand or less and any city or county that does not plan under RCW 36.70A.040 for any capital purpose identified in a capital improvements plan and local capital improvements, including those listed in RCW 35.43.040.

(b) After April 30, 1992, revenues generated from the tax imposed under this subsection (2) in counties over five thousand population and cities over five thousand population that are required or choose to plan under RCW 36.70A.040 (~~shall~~) must be used solely for financing capital projects specified in a capital facilities plan element of a comprehensive plan and housing relocation assistance under RCW 59.18.440 and 59.18.450. However, revenues (~~(i)~~) (i) pledged by such counties and cities to debt retirement prior to April 30, 1992, may continue to be used for that purpose until the original debt for which the revenues were pledged is retired, or (~~(ii)~~) (ii) committed prior to April 30, 1992, by such counties or cities to a project may continue to be used for that purpose until the project is completed.

(3) In lieu of imposing the tax authorized in RCW 82.14.030(2), the legislative authority of any county or any city may impose an additional excise tax on each sale of real property in the unincorporated areas of the county for the county tax and in the corporate limits of the city for the city tax at a rate not exceeding one-half of one percent of the selling price.

(4) Taxes imposed under this section (~~shall~~) must be collected from persons who are taxable by the state under chapter 82.45 RCW upon the occurrence of any taxable event within the unincorporated areas of the county or within the corporate limits of the city, as the case may be.

(5) Taxes imposed under this section (~~shall~~) must comply with all applicable rules, regulations, laws, and court decisions regarding real estate excise taxes as imposed by the state under chapter 82.45 RCW.

(6) As used in this section, "city" means any city or town and "capital project" means those public works projects of a local government for planning, acquisition, construction, reconstruction, repair, replacement, rehabilitation, or improvement of streets; roads; highways; sidewalks; street and road lighting

systems; traffic signals; bridges; domestic water systems; storm and sanitary sewer systems; parks; recreational facilities; law enforcement facilities; fire protection facilities; trails; libraries; administrative and/or judicial facilities; river and/or waterway flood control projects by those jurisdictions that, prior to June 11, 1992, have expended funds derived from the tax authorized by this section for such purposes; and, until December 31, 1995, housing projects for those jurisdictions that, prior to June 11, 1992, have expended or committed to expend funds derived from the tax authorized by this section or the tax authorized by RCW 82.46.035 for such purposes.

(7) From the effective date of this section until December 31, 2016, a city or county may use the greater of one hundred thousand dollars or thirty-five percent of available funds under this section, but not to exceed one million dollars per year, for the operations and maintenance of existing capital projects as defined in subsection (6) of this section.

Sec. 2. RCW 82.46.035 and 2009 c 211 s 1 are each amended to read as follows:

(1) The legislative authority of any county or city (~~shall~~) must identify in the adopted budget the capital projects funded in whole or in part from the proceeds of the tax authorized in this section, and (~~shall~~) must indicate that such tax is intended to be in addition to other funds that may be reasonably available for such capital projects.

(2) The legislative authority of any county or any city that plans under RCW 36.70A.040(1) may impose an additional excise tax on each sale of real property in the unincorporated areas of the county for the county tax and in the corporate limits of the city for the city tax at a rate not exceeding one-quarter of one percent of the selling price. Any county choosing to plan under RCW 36.70A.040(2) and any city within such a county may only adopt an ordinance imposing the excise tax authorized by this section if the ordinance is first authorized by a proposition approved by a majority of the voters of the taxing district voting on the proposition at a general election held within the district or at a special election within the taxing district called by the district for the purpose of submitting such proposition to the voters.

(3) Revenues generated from the tax imposed under subsection (2) of this section (~~shall~~) must be used by such counties and cities solely for financing capital projects specified in a capital facilities plan element of a comprehensive plan. However, revenues (a) pledged by such counties and cities to debt retirement prior to March 1, 1992, may continue to be used for that purpose until the original debt for which the revenues were pledged is retired, or (b) committed prior to March 1, 1992, by such counties or cities to a project may continue to be used for that purpose until the project is completed.

(4) Revenues generated by the tax imposed by this section (~~shall~~) must be deposited in a separate account.

(5) As used in this section: (a) "City" means any city or town; (b) "capital project" means those public works projects of a local government for planning, acquisition, construction, reconstruction, repair, replacement, rehabilitation, or improvement of streets, roads, highways, sidewalks, street and road lighting systems, traffic signals, bridges, municipally owned heavy rail short line railroads, domestic water systems, storm and sanitary sewer systems, and planning, construction, reconstruction, repair, rehabilitation, or improvement of

parks; and (c) "short line railroads" means class III railroads as defined by the United States surface transportation board.

(6) When the governor files a notice of noncompliance under RCW 36.70A.340 with the secretary of state and the appropriate county or city, the county or city's authority to impose the additional excise tax under this section (~~shall be~~) is temporarily rescinded until the governor files a subsequent notice rescinding the notice of noncompliance.

(7) A city or county may use revenue generated under subsection (2) of this section for municipally owned heavy short line railroads only if the revenue was collected prior to December 31, 2008, and may not use more than twenty-five percent of the total revenue generated under subsection (2) of this section for municipally owned heavy short line railroads.

(8) From the effective date of this section until December 31, 2016, a city or county may use the greater of one hundred thousand dollars or thirty-five percent of available funds under this section, but not to exceed one million dollars per year, for operations and maintenance of existing capital projects as defined in subsection (5) of this section, and counties may use available funds under this section for the payment of existing debt service incurred for capital projects as defined in RCW 82.46.010. If a county uses available funds for payment of existing debt service under RCW 82.46.010, the total amount used for payment of debt service and any amounts used for operations and maintenance is subject to the limits in this subsection.

Sec. 3. RCW 82.46.035 and 1992 c 221 s 3 and 1991 sp.s. c 32 s 33 are each reenacted and amended to read as follows:

(1) The legislative authority of any county or city (~~shall~~) must identify in the adopted budget the capital projects funded in whole or in part from the proceeds of the tax authorized in this section, and (~~shall~~) must indicate that such tax is intended to be in addition to other funds that may be reasonably available for such capital projects.

(2) The legislative authority of any county or any city that plans under RCW 36.70A.040(1) may impose an additional excise tax on each sale of real property in the unincorporated areas of the county for the county tax and in the corporate limits of the city for the city tax at a rate not exceeding one-quarter of one percent of the selling price. Any county choosing to plan under RCW 36.70A.040(2) and any city within such a county may only adopt an ordinance imposing the excise tax authorized by this section if the ordinance is first authorized by a proposition approved by a majority of the voters of the taxing district voting on the proposition at a general election held within the district or at a special election within the taxing district called by the district for the purpose of submitting such proposition to the voters.

(3) Revenues generated from the tax imposed under subsection (2) of this section (~~shall~~) must be used by such counties and cities solely for financing capital projects specified in a capital facilities plan element of a comprehensive plan. However, revenues (a) pledged by such counties and cities to debt retirement prior to March 1, 1992, may continue to be used for that purpose until the original debt for which the revenues were pledged is retired, or (b) committed prior to March 1, 1992, by such counties or cities to a project may continue to be used for that purpose until the project is completed.

(4) Revenues generated by the tax imposed by this section (~~(shall)~~) must be deposited in a separate account.

(5) As used in this section, "city" means any city or town and "capital project" means those public works projects of a local government for planning, acquisition, construction, reconstruction, repair, replacement, rehabilitation, or improvement of streets, roads, highways, sidewalks, street and road lighting systems, traffic signals, bridges, domestic water systems, storm and sanitary sewer systems, and planning, construction, reconstruction, repair, rehabilitation, or improvement of parks.

(6) When the governor files a notice of noncompliance under RCW 36.70A.340 with the secretary of state and the appropriate county or city, the county or city's authority to impose the additional excise tax under this section (~~(shall be)~~) is temporarily rescinded until the governor files a subsequent notice rescinding the notice of noncompliance.

(7) From the effective date of this section until December 31, 2016, a city or county may use the greater of one hundred thousand dollars or thirty-five percent of available funds under this section, but not to exceed one million dollars per year, for operations and maintenance of existing capital projects as defined in subsection (5) of this section, and counties may use available funds under this section for the payment of existing debt service incurred for capital projects as defined in RCW 82.46.010. If a county uses available funds for payment of existing debt service under RCW 82.46.010, the total amount used for payment of debt service and any amounts used for operations and maintenance is subject to the limits in this subsection.

NEW SECTION. Sec. 4. Section 2 of this act expires June 30, 2012.

NEW SECTION. Sec. 5. Section 3 of this act takes effect June 30, 2012.

Passed by the House March 4, 2011.

Passed by the Senate April 8, 2011.

Approved by the Governor May 16, 2011.

Filed in Office of Secretary of State May 17, 2011.

CHAPTER 355

[Substitute House Bill 1084]

BOARD ON GEOGRAPHIC NAMES

AN ACT Relating to creating the board on geographic names; amending RCW 43.30.215; adding new sections to chapter 43.30 RCW; and creating a new section.

Be it enacted by the Legislature of the State of Washington:

Sec. 1. RCW 43.30.215 and 2003 c 334 s 112 are each amended to read as follows:

The board shall:

(1) Perform duties relating to appraisal, appeal, approval, and hearing functions as provided by law;

(2) Establish policies to ensure that the acquisition, management, and disposition of all lands and resources within the department's jurisdiction are based on sound principles designed to achieve the maximum effective development and use of such lands and resources consistent with laws applicable thereto;

(3) Constitute the board of appraisers provided for in Article 16, section 2 of the state Constitution;

(4) Constitute the commission on harbor lines provided for in Article 15, section 1 of the state Constitution as amended;

(5) Constitute the board on geographic names as provided for in sections 2 through 6 of this act; and

(6) Adopt and enforce rules as may be deemed necessary and proper for carrying out the powers, duties, and functions imposed upon it by this chapter.

NEW SECTION. Sec. 2. A new section is added to chapter 43.30 RCW to read as follows:

The board on geographic names is created to establish a procedure for the retention and formal recognition of existing geographic names; to standardize the procedures for naming or renaming geographical features within the state of Washington; to identify one body as the responsible agency to coordinate this important activity between local, state, and federal agencies; to identify the responsible agency for the purpose of serving the public interest; to avoid the duplication of names for similar features whenever possible; and as far as possible, to retain the significance, spelling, and color of names associated with the early history of Washington.

The board on geographic names has the following duties:

(1) Establish the official names for the lakes, mountains, streams, places, towns, and other geographic features within the state and the spellings thereof except when a name is specified by law. For the purposes of this subsection, geographic features do not include human-made features or administrative areas such as parks, game reserves, and dams, but do include human-made lakes;

(2) Assign names to lakes, mountains, streams, places, towns, and other geographic features in the state for which no generally accepted name has been in use;

(3) Cooperate with county commissions, state departments, agencies, the state legislature, and the United States board on geographic names to establish, change, or determine the appropriate names of lakes, mountains, streams, places, towns, and other geographic features for the purposes of eliminating, as far as possible, duplications of place names within the state;

(4) Serve as a state of Washington liaison with the United States board on geographic names;

(5) Periodically issue a list of names approved by the board on geographic names; and

(6) Establish policies to carry out the purposes of this section and sections 3 through 5 of this act.

NEW SECTION. Sec. 3. A new section is added to chapter 43.30 RCW to read as follows:

(1) The board on geographic names shall establish a committee on geographic names to assist the board in performing its duties and to provide broader contextual, public, and tribal participation in naming geographic features in the state. The committee shall report to the board on geographic names and shall consist of:

(a) The commissioner or representative;

(b) The state librarian or the librarian's designee;

(c) The director of the department of archaeology and historic preservation or the director's designee;

(d) A representative of the Washington state tribes, to be appointed by the commissioner from nominations made by Washington's recognized tribal governments. The tribal representative serves a three-year term; and

(e) Three members from the public to be appointed by the commissioner. Initial appointments of the public members appointed under this subsection shall be as follows: One member for a one-year term, one member for a two-year term, and one member for a three-year term. Thereafter, each public member shall be appointed for a three-year term.

(2) Each member of the committee shall continue in office until a successor is appointed. The commissioner shall serve as chair of the board.

NEW SECTION. Sec. 4. A new section is added to chapter 43.30 RCW to read as follows:

(1) The committee on geographic names shall hold at least two meetings each year, and may hold special meetings as called by the chair or a majority of the members of the committee. All meetings must be open to the public.

(a) Notice of all committee meetings shall be as provided in RCW 42.30.080. The notice must include the names to be considered by the committee and the names to be adopted by the board on geographic names.

(b) Four committee members shall constitute a quorum.

(2) The committee shall establish rules for the conduct of its affairs and to carry out the duties of this section.

(3) The committee shall cooperate with the United States board on geographic names.

(4) The committee shall make reports and recommendations to the board on geographic names following each meeting of the committee. Recommendations regarding adoption of names may only be made following consideration at two committee meetings.

(5) In considering the names and spellings of geographic place names, the committee's recommendations to the board on geographic names may only be made after careful deliberation of all available information relating to such names, including the recommendations of the United States board on geographic names.

NEW SECTION. Sec. 5. A new section is added to chapter 43.30 RCW to read as follows:

(1) The board on geographic names shall consider the recommendations made by the committee on geographic names for adoption of names. The board on geographic names must either adopt the name as recommended, or refer the matter back to the committee on geographic names for further review.

(2) All geographic names adopted by the board on geographic names shall be published in the Washington State Register.

(3) Whenever the board on geographic names has given a name to any lake, stream, place, or other geographic feature within the state, the name must be used in all maps, records, documents, and other publications issued by the state or any of its departments and political subdivisions, and that name is the official name of the geographic feature.

NEW SECTION. Sec. 6. A new section is added to chapter 43.30 RCW to read as follows:

The department of natural resources shall provide secretarial and administrative services for the board on geographic names and shall serve as custodian of the records.

***NEW SECTION. Sec. 7.** *If specific funding for the purposes of this act, referencing this act by bill or chapter number, is not provided by June 30, 2011, in the omnibus appropriations act, this act is null and void.*

*Sec. 7 was vetoed. See message at end of chapter.

Passed by the House April 14, 2011.

Passed by the Senate April 12, 2011.

Approved by the Governor May 16, 2011, with the exception of certain items that were vetoed.

Filed in Office of Secretary of State May 17, 2011.

Note: Governor's explanation of partial veto is as follows:

"I am returning herewith, without my approval as to Section 7, Substitute House Bill 1084 entitled:

"AN ACT Relating to creating the board on geographic names."

Substitute House Bill 1084 recognizes the need for a board on geographic names. Section 7 would declare this act null and void if funding were not provided specifically for the purposes of this act in the omnibus appropriations act. Funding for this activity is less than \$50,000 per biennium and may not appear as a line item in the omnibus appropriations act.

For this reason I have vetoed Section 7 of Substitute House Bill 1084.

With the exception of Section 7, Substitute House Bill 1084 is approved."

CHAPTER 356

[Substitute House Bill 1089]

HIGHER EDUCATION—INSTRUCTIONAL MATERIALS—SPECIALIZED FORMATS

AN ACT Relating to instructional materials provided in a specialized format version; amending RCW 28B.10.916; and creating a new section.

Be it enacted by the Legislature of the State of Washington:

***NEW SECTION. Sec. 1.** *The legislature finds that the knowledge, skill, and ability to succeed both academically and later in a chosen profession are accumulated through myriad sources, including instructional materials. Therefore, it is the intent of the legislature to ensure that students provided with instructional materials pursuant to RCW 28B.10.916 be permitted to retain those materials if they so desire.*

*Sec. 1 was vetoed. See message at end of chapter.

Sec. 2. RCW 28B.10.916 and 2004 c 46 s 1 are each amended to read as follows:

(1) An individual, firm, partnership or corporation that publishes or manufactures instructional materials for students attending any public or private institution of higher education in the state of Washington shall provide to the public or private institution of higher education, for use by students attending the institution, any instructional material in an electronic format mutually agreed upon by the publisher or manufacturer and the public or private institution of

higher education. Computer files or electronic versions of printed instructional materials shall be provided; video materials must be captioned or accompanied by transcriptions of spoken text; and audio materials must be accompanied by transcriptions. These supplemental materials shall be provided to the public or private institution of higher education at no additional cost and in a timely manner, upon receipt of a written request as provided in subsection (2) of this section.

(2) A written request for supplemental materials must:

(a) Certify that a student with a print access disability attending or registered to attend a public or participating private institution of higher education has purchased the instructional material or the public or private institution of higher education has purchased the instructional material for use by a student with a print access disability;

(b) Certify that the student has a print access disability that substantially prevents him or her from using standard instructional materials;

(c) Certify that the instructional material is for use by the student in connection with a course in which he or she is registered or enrolled at the public or private institution of higher education; and

(d) Be signed by the coordinator of services for students with disabilities at the public or private institution of higher education or by the college or campus official responsible for monitoring compliance with the Americans with disabilities act of 1990 (42 U.S.C. 12101 et seq.) at the public or private institution of higher education.

(3) An individual, firm, partnership or corporation specified in subsection (1) of this section may also require that, in addition to the requirements in subsection (2) of this section, the request include a statement signed by the student agreeing to both of the following:

(a) He or she will use the instructional material provided in specialized format solely for his or her own educational purposes; and

(b) He or she will not copy or duplicate the instructional material provided in specialized format for use by others.

(4) A public or private institution of higher education that provides a specialized format version of instructional material pursuant to this section may not require that the student return the specialized format version of the instructional material, except that if the institution has determined that it is not required to allow the student to retain the material under the Americans with disabilities act or other applicable laws, and the material was translated or transcribed into a specialized format at the expense of the institution and the cost to reproduce a copy of the translation or transcription is greater than one hundred dollars, the institution may require that the student return the specialized format version.

(5) If a public or private institution of higher education provides a student with the specialized format version of an instructional material, the media must be copy-protected or the public or private institution of higher education shall take other reasonable precautions to ensure that students do not copy or distribute specialized format versions of instructional materials in violation of the copyright revision((s)) act of 1976, as amended (17 U.S.C. Sec. 101 et seq.).

((5)) (6) For purposes of this section:

(a) "Instructional material or materials" means textbooks and other materials that are required or essential to a student's success in a postsecondary course of study in which a student with a disability is enrolled. The determination of which materials are "required or essential to student success" shall be made by the instructor of the course in consultation with the official making the request in accordance with guidelines issued pursuant to subsection ~~((9))~~ (10) of this section. The term specifically includes both textual and nontextual information.

(b) "Print access disability" means a condition in which a person's independent reading of, reading comprehension of, or visual access to materials is limited or reduced due to a sensory, neurological, cognitive, physical, psychiatric, or other disability recognized by state or federal law. The term is applicable, but not limited to, persons who are blind, have low vision, or have reading disorders or physical disabilities.

(c) "Structural integrity" means all instructional material, including but not limited to the text of the material, sidebars, the table of contents, chapter headings and subheadings, footnotes, indexes, glossaries, graphs, charts, illustrations, pictures, equations, formulas, and bibliographies. Structural order of material shall be maintained. Structural elements, such as headings, lists, and tables must be identified using current markup and tools. If good faith efforts fail to produce an agreement between the publisher or manufacturer and the public or private institution of higher education, as to an electronic format that will preserve the structural integrity of instructional materials, the publisher or manufacturer shall provide the instructional material in a verified and valid HTML format and shall preserve as much of the structural integrity of the instructional materials as possible.

(d) "Specialized format" means Braille, audio, or digital text that is exclusively for use by blind or other persons with print access disabilities.

~~((6))~~ (7) Nothing in this section is to be construed to prohibit a public or private institution of higher education from assisting a student with a print access disability through the use of an electronic version of instructional material gained through this section or by transcribing or translating or arranging for the transcription or translation of the instructional material into specialized formats that provide persons with print access disabilities the ability to have increased independent access to instructional materials. If such specialized format is made, the public or private institution of higher education may share the specialized format version of the instructional material with other students with print access disabilities for whom the public or private institution of higher education is authorized to request electronic versions of instructional material. The addition of captioning to video material by a Washington public or private institution of higher education does not constitute an infringement of copyright.

~~((7))~~ (8) A specialized format version of instructional materials developed at one public or private institution of higher education in Washington state may be shared for use by a student at another public or private institution of higher education in Washington state for whom the latter public or private institution of higher education is authorized to request electronic versions of instructional material.

~~((8))~~ (9) Nothing in this section shall be deemed to authorize any use of instructional materials that would constitute an infringement of copyright under the copyright revision act of 1976, as amended (17 U.S.C. Sec. 101 et seq.).

~~((9))~~ (10) The governing boards of public and participating private institutions of higher education in Washington state shall each adopt guidelines consistent with this section for its implementation and administration. At a minimum, the guidelines shall address all of the following:

(a) The designation of materials deemed "required or essential to student success";

(b) The determination of the availability of technology for the conversion of materials pursuant to subsection ~~((4))~~ (5) of this section and the conversion of mathematics and science materials pursuant to subsection ~~((5))~~ (6)(c) of this section;

(c) The procedures and standards relating to distribution of files and materials pursuant to this section;

(d) The guidelines shall include procedures for granting exceptions when it is determined that an individual, firm, partnership or corporation that publishes or manufactures instructional materials is not technically able to comply with the requirements of this section; and

(e) Other matters as are deemed necessary or appropriate to carry out the purposes of this section.

~~((10))~~ (11) A violation of this chapter constitutes an unfair practice under chapter 49.60 RCW, the law against discrimination. All rights and remedies under chapter 49.60 RCW, including the right to file a complaint with the human rights commission and to bring a civil action, apply.

Passed by the House April 14, 2011.

Passed by the Senate April 11, 2011.

Approved by the Governor May 16, 2011, with the exception of certain items that were vetoed.

Filed in Office of Secretary of State May 17, 2011.

Note: Governor's explanation of partial veto is as follows:

"I am returning herewith, without my approval as to Section 1, Substitute House Bill 1089 entitled:

"AN ACT Relating to instructional materials provided in a specialized format version."

I am vetoing the intent section, Section 1 of the bill, because it is broader than the substantive language in the bill. Vetoing the intent section may avoid confusion and does not impede implementation of the bill.

For this reason I have vetoed Section 1 of Substitute House Bill 1089.

With the exception of Section 1, Substitute House Bill 1089 is approved."

CHAPTER 357

[Engrossed Substitute House Bill 1494]

ELDER AND VULNERABLE ADULT PLACEMENT REFERRALS

AN ACT Relating to elder placement referrals; adding a new chapter to Title 18 RCW; prescribing penalties; and providing an effective date.

Be it enacted by the Legislature of the State of Washington:

NEW SECTION. Sec. 1. (1) The legislature finds that locating acceptable housing and appropriate care for vulnerable adults is an important aspect of providing an appropriate continuity of care for senior citizens.

(2) The legislature further finds that locating appropriate and quality housing alternatives sometimes depends on elder and vulnerable adult referral agencies attempting to assist with referral.

(3) The legislature further finds that vulnerable adult referral professionals should be required to meet certain minimum requirements to promote better integration of vulnerable adult housing choices.

(4) The legislature further finds that the requirement that elder and vulnerable adult referral agencies meet minimum standards of conduct is in the interest of public health, safety, and welfare.

NEW SECTION. Sec. 2. The definitions in this section apply throughout this chapter unless the context clearly requires otherwise.

(1) "Care services" means any combination of services, including in-home care, private duty care, or private duty nursing designed for or with the goal of allowing vulnerable adults to receive care and related services at home or in a home-like setting. Care service providers must include home health agencies and in-home service agencies licensed under chapter 70.127 RCW.

(2) "Client" means an elder person or a vulnerable adult, or his or her representative if any, seeking a referral or assistance with entering into an arrangement for supportive housing or care services in Washington state through an elder and vulnerable adult referral agency. For purposes of this chapter, the "client's representative" means the person authorized under RCW 7.70.065 or other laws to provide informed consent for an individual unable to do so. "Client" may also mean a person seeking a referral for supportive housing or care services on behalf of the elder person or vulnerable adult through an elder care referral service: PROVIDED, That such a person is a family member, relative, or domestic partner of the senior or vulnerable adult.

(3) "Elder and vulnerable adult referral agency" or "agency" means a business or person who receives a fee from or on behalf of a vulnerable adult seeking a referral to care services or supportive housing, or who receives a fee from a care services provider or supportive housing provider because of any referral provided to or on behalf of a vulnerable adult.

(4) "Fee" means anything of value. "Fee" includes money or other valuable consideration or services or the promise of money or other valuable consideration or services, received directly or indirectly by an elder and vulnerable adult referral agency.

(5) "Information" means the provision of general information by an agency to a person about the types of supportive housing or care services available in the area that may meet the needs of elderly or vulnerable adults without giving the person the names of specific providers of care services or supportive housing, or giving a provider the name of the person or vulnerable adult. Information also means the provision by an agency of the names of specific providers to a social worker, discharge planner, case manager, professional guardian, nurse, or other professional who is assisting a vulnerable adult locate supportive housing or care services, where the agency does not request or receive any fee.

(6) "Person" includes any individual, firm, corporation, partnership, association, company, society, manager, contractor, subcontractor, bureau, agency, organization, service, office, or an agent or any of their employees.

(7) "Provider" means any entity or person that both provides supportive housing or care services to a vulnerable adult for a fee and provides or is

required to provide such housing or services under a state or local business license specific to such housing or services.

(8) "Referral" means the act of an agency giving a client the name or names of specific providers of care services or supportive housing that may meet the needs of the vulnerable adult identified in the intake form described in section 7 of this act, or the agency gives a provider the name of a client for the purposes of enabling the provider to contact the client regarding care services or supportive housing provided by that provider.

(9) "Supportive housing" means any type of housing that includes services for care needs and is designed for prospective residents who are vulnerable adults. Supportive housing includes, but is not limited to, nursing homes licensed under chapter 18.51 RCW, boarding homes licensed under chapter 18.20 RCW, adult family homes licensed under chapter 70.128 RCW, and continuing care retirement communities under RCW 70.38.025.

(10) "Vulnerable adult" has the same meaning as in RCW 74.34.020.

NEW SECTION. Sec. 3. (1) As of January 1, 2012, a business or person operating or maintaining an agency in this state is subject to the provisions of this chapter. An agency must maintain general and professional liability insurance to cover the acts and services of the agency. The combined liability insurance coverage required is one million dollars.

(2) The agency may not create an exclusive agreement between the agency and the client, or between the agency and a provider. The agency cannot provide referral services to a client where the only names given to the client are of providers in which the agency or its personnel or immediate family members have an ownership interest in those providers. An agreement entered into between an agency and a provider must allow either the provider or the agency to cancel the agreement with specific payment terms regarding pending fees or commissions outlined in the agreement.

(3) The marketing materials, informational brochures, and web sites owned or operated by an agency, and concerning information or referral services for elderly or vulnerable adults, must include a clear identification of the agency.

(4) All owners, operators, and employees of an agency shall be considered mandated reporters under the vulnerable adults act, chapter 74.34 RCW. No agency may develop or enforce any policies or procedures that interfere with the reporting requirements of chapter 74.34 RCW.

NEW SECTION. Sec. 4. Nothing in this chapter may be construed to prohibit, restrict, or apply to:

(1) Any home health or hospice agency while providing counseling to patients on placement options in the normal course of practice;

(2) Government entities providing information and assistance to vulnerable adults unless making a referral in which a fee is received from a client;

(3) Professional guardians providing services under authority of their guardianship appointment;

(4) Supportive housing or care services providers who make referrals to other supportive housing or care services providers where no monetary value is exchanged;

(5) Social workers, discharge planners, or other social services staff assisting a vulnerable adult to define supportive housing or care services

providers in the course of their employment responsibilities if they do not receive any monetary value from a provider; or

(6) Any person to the extent that he or she provides information to another person.

NEW SECTION. Sec. 5. (1) Each agency shall keep records of all referrals rendered to or on behalf of clients. These records must contain:

(a) The name of the vulnerable adult, and the address and phone number of the client or the client's representative, if any;

(b) The kind of supportive housing or care services for which referral was sought;

(c) The location of the care services or supportive housing referred to the client and probable duration, if known;

(d) The monthly or unit cost of the supportive housing or care services, if known;

(e) If applicable, the amount of the agency's fee to the client or to the provider;

(f) If applicable, the dates and amounts of refund of the agency's fee, if any, and reason for such refund; and

(g) A copy of the client's disclosure and intake forms described in sections 6 and 7 of this act.

(2) Each agency shall also keep records of any contract or written agreement entered into with any provider for services rendered to or on behalf of a vulnerable adult, including any referrals to a provider. Any provision in a contract or written agreement not consistent with this chapter is void and unenforceable.

(3) The agency must maintain the records covered by this chapter for a period of six years. The agency's records identifying a client are considered "health care information" and the provisions of chapter 70.02 RCW apply but only to the extent that such information meets the definition of "health care information" under RCW 70.02.010(7). The client must have access upon request to the agency's records concerning the client and covered by this chapter.

NEW SECTION. Sec. 6. (1) An agency must provide a disclosure statement to each client prior to making a referral. A disclosure statement is not required when the agency is only providing information to a person. The disclosure statement must be acknowledged by the client prior to the referral and the agency shall retain a copy of the disclosure statement and acknowledgment. Acknowledgment may be in the form of:

(a) A signature of the client or legal representative on the exact disclosure statement;

(b) An electronic signature that includes the date, time, internet provider address, and displays the exact disclosure statement document;

(c) A faxed confirmation that includes the date, time, and fax number and displaying the exact disclosure statement document; or

(d) In instances where a vulnerable adult chooses not to sign or otherwise provide acknowledgment of the disclosure statement, the referral professional or agency may satisfy the acknowledgment requirement of this subsection (1) by documenting the client's refusal to sign.

(2) The disclosure statement must be dated and must contain the following information:

- (a) The name, address, and telephone number of the agency;
- (b) The name of the client;
- (c) The amount of the fee to be received from the client, if any. Alternatively, if the fee is to be received from the provider, the method of computation of the fee and the time and method of payment. In addition, the agency shall disclose to the client the amount of fee to be received from the provider, if the client requests such information;
- (d) A clear description of the services provided by the agency in general, and to be provided specifically for the client;
- (e) A provision stating that the agency may not require or request clients to sign waivers of potential liability for losses of personal property or injury, or to sign waivers of any rights of the client established in state or federal law;
- (f) A provision stating that the agency works with both the client and the care services or supportive housing provider in the same transaction, and an explanation that the agency will need the client's authorization to obtain or disclose confidential health care information;
- (g) A statement indicating the frequency on which the agency regularly tours provider facilities, and that, at the time of referral, the agency will inform the client in writing or by electronic means if the agency has toured the referred supportive housing provider or providers, and if so, the most recent date that tour took place;
- (h) A provision stating that the client may, without cause, stop using the agency or switch to another agency without penalty or cancellation fee to the client;
- (i) An explanation of the agency's refund of fees policy, which must be consistent with section 10 of this act;
- (j) A statement that the client may file a complaint with the attorney general's office for violations of this chapter, including the name, address, and telephone number of the consumer protection division of that office; and
- (k) If the agency or its personnel who are directly involved in providing referrals to clients, including the personnel's immediate family members, have an ownership interest in the supportive housing or care services to which the client is given a referral, a provision stating that the agency or such personnel or their immediate family members have an ownership interest in the supportive housing or care services to which the client is given referral services, and, if such ownership interest exists, an explanation of that interest.

NEW SECTION. Sec. 7. (1) The agency shall use a standardized intake form for all clients prior to making a referral. The intake form must, at a minimum, contain the following information regarding the vulnerable adult:

- (a) Recent medical history, as relevant to the referral process;
- (b) Known medications and medication management needs;
- (c) Known medical diagnoses, health concerns, and the reasons the client is seeking supportive housing or care services;
- (d) Significant known behaviors or symptoms that may cause concern or require special care;
- (e) Mental illness, dementia, or developmental disability diagnosis, if any;
- (f) Assistance needed for daily living;

- (g) Particular cultural or language access needs and accommodations;
- (h) Activity preferences;
- (i) Sleeping habits of the vulnerable adult, if known;
- (j) Basic information about the financial situation of the vulnerable adult and the availability of any long-term care insurance or financial assistance, including medicaid, which may be helpful in defining supportive housing and care services options for the vulnerable adult;
- (k) Current living situation of the client;
- (l) Geographic location preferences; and
- (m) Preferences regarding other issues important to the client, such as food and daily routine.

(2) The agency shall obtain the intake information from the most available sources, such as from the client, the client's representative, or a health care professional, and shall allow the vulnerable adult to participate to the maximum extent possible.

(3) The agency may provide information to a person about the types of supportive housing or care services available in the area that may meet the needs of elderly or vulnerable adults without the need to complete an intake form or provide a disclosure statement, if the agency does not make a referral or request or receive any fee. In addition, the agency may provide the names of specific providers to a social worker, discharge planner, case manager, professional guardian, nurse, or other professional who is assisting a vulnerable adult locate supportive housing or care services, provided the agency does not request or receive any fee.

NEW SECTION. Sec. 8. (1) The agency may choose to provide a referral for the client by either giving the client the name or names of specific providers who may meet the needs of the vulnerable adult identified in the intake form or by giving a provider or providers the name of the client after obtaining the authorization of the client or the client's representative.

(2)(a) Prior to making a referral to a specific provider, the agency shall speak with a representative of the provider and obtain, at a minimum, the following general information, which must be dated and retained in the agency's records:

- (i) The type of license held by the provider and license number;
- (ii) Whether the provider is authorized by license to provide care to individuals with a mental illness, dementia, or developmental disability;
- (iii) Sources of payment accepted, including whether medicaid is accepted;
- (iv) General level of medication management services provided;
- (v) General level and types of personal care services provided;
- (vi) Particular cultural needs that may be accommodated;
- (vii) Primary language spoken by care providers;
- (viii) Activities typically provided;
- (ix) Behavioral problems or symptoms that can or cannot be met;
- (x) Food preferences and special diets that can be accommodated; and
- (xi) Other special care or services available.

(b) The agency shall update this information regarding the provider at least annually. To the extent practicable, referrals shall be made to providers who appear, in the best judgment of the agency, capable of meeting the vulnerable adult's identified needs.

(3) Prior to making a referral of a supportive housing provider, the agency shall conduct a search, and inform the client that a search was conducted, of the department of social and health service's web site to see if the provider is in enforcement status for violation of its licensing regulations. Prior to making a referral of a care services provider, the agency shall conduct a search, and inform the client that a search was conducted, of the department of health's web site to determine if the provider is in enforcement status for violation of its licensing regulations. The searches required by this subsection must be considered timely if done within thirty days before the referral. The information obtained by the agency from the searches must be disclosed in writing to the client if the referral includes that provider.

(4) By January 1, 2012, the department of social and health services and the department of health must convene a work group of stakeholders to collaboratively identify and implement a uniform standard for the information pertaining to the enforcement status of a provider that must be disclosed to the client under subsection (3) of this section. The uniform standard must clearly identify what elements of an enforcement action should be included under the disclosure requirements of subsection (3) of this section. Agencies will have no liability or responsibility for the accuracy, completeness, timeliness, or currency of information shared in the prescribed format and are immune from any cause of action rising from their reliance on, use of, or distribution of this information.

NEW SECTION. Sec. 9. Nothing in this chapter will limit, specify, or otherwise regulate the fees charged by an agency to a provider for a referral.

NEW SECTION. Sec. 10. (1) The agency shall clearly disclose its fees and refund policies to clients and providers. If the agency receives a fee regarding a client who was provided referral services for supportive housing, and the vulnerable adult dies, is hospitalized, or is transferred to another supportive housing setting for more appropriate care within the first thirty days of admission, then the agency shall refund a portion of its fee to the person who paid it, whether that is the client or the supportive housing provider. The amount refunded must be a prorated portion of the agency's fees, based upon a per diem calculation for the days that the client resided or retained a bed in the supportive housing.

(2) A refund policy inconsistent with this section is void and unenforceable.

(3) This section does not limit the application of other remedies, including the consumer protection act, chapter 19.86 RCW.

NEW SECTION. Sec. 11. Any employee, owner, or operator of an agency that works with vulnerable adults must pass a criminal background check every twenty-four months and not have been convicted of any crime that is disqualifying under RCW 43.43.830 or 43.43.842, or been found by a court of law or disciplinary authority to have abused, neglected, financially exploited, or abandoned a minor or vulnerable adult.

NEW SECTION. Sec. 12. An agency may not charge or accept a fee or other consideration from a client, care services provider, or supportive housing provider unless the agency substantially complies with the terms of this chapter.

NEW SECTION. Sec. 13. (1) The provisions of this chapter relating to the regulation of private elder and vulnerable adult referral agencies are exclusive.

(2) This chapter may not be construed to affect or reduce the authority of any political subdivision of the state of Washington to provide for the licensing of private elder and vulnerable adult referral agencies solely for revenue purposes.

NEW SECTION. Sec. 14. In accordance with RCW 74.09.240, the agency may not solicit or receive any remuneration directly or indirectly, overtly or covertly, in cash or in kind, in return for referring an individual to a person for the furnishing or arranging for the furnishing of any item or service for which payment may be made in whole or in part under chapter 74.09 RCW.

NEW SECTION. Sec. 15. The legislature finds that the operation of an agency in violation of this chapter is a matter vitally affecting the public interest for the purpose of applying the consumer protection act, chapter 19.86 RCW. Such a violation is an unfair or deceptive act in trade or commerce and an unfair method of competition for the purpose of applying the consumer protection act, chapter 19.86 RCW.

NEW SECTION. Sec. 16. Agencies and their employees, owners, and officers will not be considered providers and will not be liable or responsible for the acts or omissions of a provider.

NEW SECTION. Sec. 17. The department of licensing shall convene a work group of stakeholders to consider the feasibility of establishing licensure for elder and vulnerable adult referral agencies described in this act. The work group will provide recommendations to the legislature by December 1, 2011.

NEW SECTION. Sec. 18. This chapter may be known and cited as the "elder and vulnerable adult referral agency act."

NEW SECTION. Sec. 19. Sections 1 through 18 of this act constitute a new chapter in Title 18 RCW.

NEW SECTION. Sec. 20. This act takes effect January 1, 2012.

NEW SECTION. Sec. 21. 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.

Passed by the House April 14, 2011.

Passed by the Senate April 7, 2011.

Approved by the Governor May 16, 2011.

Filed in Office of Secretary of State May 17, 2011.

CHAPTER 358

[House Bill 1770]

STATE PURCHASING SMALL BUSINESS PARTICIPATION

AN ACT Relating to enhancing small business participation in state purchasing; amending RCW 39.29.011, 43.19.1908, 43.105.041, and 39.29.006; adding new sections to chapter 43.19 RCW; and creating new sections.

Be it enacted by the Legislature of the State of Washington:

NEW SECTION. Sec. 1. The legislature finds that it is in the state's economic interest and serves a public purpose to promote and facilitate the fullest possible participation by Washington businesses of all sizes in the process

by which goods and services are purchased by the state. The legislature further finds that large businesses have the resources to participate fully and effectively in the state's purchasing system, and because of many factors, including economies of scale, the purchasing system tends to create a preference in favor of large businesses and to disadvantage small businesses. The legislature intends, therefore, to assist, to the maximum extent possible, small businesses to participate in order to enhance and preserve competitive enterprise and to ensure that small businesses have a fair opportunity to be awarded contracts or subcontracts for goods and services purchased by the state. The legislature recognizes the need to increase accountability for the state's procurement and contracting practices. The legislature, therefore, intends to encourage all state agencies to maintain records of state purchasing contracts awarded to registered small businesses. The legislature further recognizes that access to a modernized system that categorizes a state business by such factors as its type and size, is an essential tool for receiving accurate and verifiable information regarding the effects any technical assistance is having on the number of small businesses annually receiving state contracts for goods and services purchased by the state.

NEW SECTION. Sec. 2. A new section is added to chapter 43.19 RCW to read as follows:

(1) The department of general administration must develop a model plan for state agencies to increase: (a) The number of small businesses registering in the state's common vendor registration and bid notification system; (b) the number of such registered small businesses annually receiving state contracts for goods and services purchased by the state; and (c) the percentage of total state dollars spent for goods and services purchased from such registered small businesses. The goal of the plan is to increase the number of small businesses receiving state contracts as well as the percentage of total state dollars spent for goods and services from small businesses registered in the state's common vendor registration and bid notification system by at least fifty percent in fiscal year 2013, and at least one hundred percent in fiscal year 2015 over the baseline data reported for fiscal year 2011.

(2) All state purchasing agencies may adopt the model plan developed by the department of general administration under subsection (1) of this section. A state purchasing agency that does not adopt the model plan must establish and implement a plan consistent with the goals of subsection (1) of this section.

(3) To facilitate the participation of small businesses in the provision of goods and services to the state, including purchases under chapters 39.29 and 43.105 RCW, the state purchasing and material control director, under the powers granted by RCW 43.19.190 through 43.19.1939, and all state purchasing agencies operating under delegated authority granted under RCW 43.19.190 or 28B.10.029, must give technical assistance to small businesses regarding the state bidding process. Such technical assistance shall include providing opportunities for the agency to answer vendor questions about the bid solicitation requirements in advance of the bid due date and, upon request, holding a debriefing after the contract award to assist the vendor in understanding how to improve his or her responses for future competitive procurements.

(4)(a) All state purchasing agencies must maintain records of state purchasing contracts awarded to registered small businesses in order to track

outcomes and provide accurate, verifiable information regarding the effects the technical assistance under subsection (3) of this section is having on the number of small businesses annually receiving state contracts for goods and services purchased by the state.

(b) The department of general administration may provide assistance to other agencies attempting to maintain records of state purchasing contracts awarded to registered small businesses for the purposes described under (a) of this subsection.

(5) The definitions in this subsection apply throughout this section and section 3 of this act unless the context clearly requires otherwise.

(a) "Small business" has the same meaning as defined in RCW 39.29.006.

(b) "State purchasing agencies" are limited to the department of general administration, the department of information services, the office of financial management, the department of transportation, and institutions of higher education.

NEW SECTION. Sec. 3. A new section is added to chapter 43.19 RCW to read as follows:

(1) By November 15, 2013, and November 15th every two years thereafter, all state purchasing agencies shall submit a report to the appropriate committees of the legislature providing verifiable information regarding the effects the technical assistance under section 2(3) of this act is having on the number of small businesses annually receiving state contracts for goods and services purchased by the state.

(2) By December 31, 2013, all state purchasing agencies must use the web-based information system created under subsection (3)(a) of this section to capture the data required under subsection (3)(a) of this section.

(3)(a) The department of general administration, in consultation with the department of information services, the department of transportation, and the department of commerce, must develop and implement a web-based information system. The web-based information system must be used to capture data, track outcomes, and provide accurate and verifiable information regarding the effects the technical assistance under section 2(3) of this act is having on the number of small businesses annually receiving state contracts for goods and services purchased by the state. Such measurable data shall include, but not be limited to: (i) The number of registered small businesses that have been awarded state procurement contracts, (ii) the percentage of total state dollars spent for goods and services purchased from registered small businesses, and (iii) the number of registered small businesses that have bid on but were not awarded state purchasing contracts.

(b) By October 1, 2011, the department of general administration, in collaboration with the department of information services and the department of transportation, shall submit a report to the appropriate committees of the legislature detailing the projected cost associated with the implementation and maintenance of the web-based information system.

(c) By September 1, 2012, the department of general administration, in collaboration with the department of information services and the department of transportation, shall submit a report to the appropriate committees of the legislature providing any recommendations for needed legislation to improve the collection of data required under (a) of this subsection.

(d) By December 31, 2013, the department of general administration must make the web-based information system available to all state purchasing agencies.

(e) The department of general administration may also make the web-based information system available to other agencies that would like to use the system for the purposes of chapter . . . , Laws of 2011 (this act).

Sec. 4. RCW 39.29.011 and 2009 c 486 s 7 are each amended to read as follows:

All personal service contracts shall be entered into pursuant to competitive solicitation, except for:

- (1) Emergency contracts;
- (2) Sole source contracts;
- (3) Contract amendments;

(4) Contracts between a consultant and an agency of less than twenty thousand dollars. However, contracts of five thousand dollars or greater but less than ~~((twenty))~~ ten thousand dollars shall have documented evidence of competition. Contracts of ten thousand dollars or greater, but less than twenty thousand dollars, shall have documented evidence of competition, which must include agency posting of the contract opportunity on the state's common vendor registration and bid notification system. Agencies shall not structure contracts to evade these requirements; and

(5) Other specific contracts or classes or groups of contracts exempted from the competitive solicitation process by the director of the office of financial management when it has been determined that a competitive solicitation process is not appropriate or cost-effective.

***Sec. 5.** RCW 43.19.1908 and 2009 c 486 s 11 are each amended to read as follows:

(1) For contracts of twenty-five thousand dollars or greater, the competitive bidding required by RCW 43.19.190 through 43.19.1939 shall be solicited by public notice, by posting of the contract opportunity on the state's common vendor registration and bid notification system, and through the sending of notices by mail, electronic transmission, or other means to bidders on the appropriate list of bidders who shall have qualified by application to the division of purchasing.

(2) Contracts for less than twenty-five thousand dollars, and contracts up to the direct buy dollar amount limit pursuant to RCW 43.19.1906(2), must be solicited by public notice and have documented evidence of competition.

(3) Bids may be solicited by the purchasing division from any source thought to be of advantage to the state. All bids shall be in written or electronic form and conform to rules of the division of purchasing.

*Sec. 5 was vetoed. See message at end of chapter.

Sec. 6. RCW 43.105.041 and 2010 1st sp.s. c 7 s 65 are each amended to read as follows:

(1) The board shall have the following powers and duties related to information services:

(a) To develop standards and procedures governing the acquisition and disposition of equipment, proprietary software and purchased services, licensing

of the radio spectrum by or on behalf of state agencies, and confidentiality of computerized data;

(b) To purchase, lease, rent, or otherwise acquire, dispose of, and maintain equipment, proprietary software, and purchased services, or to delegate to other agencies and institutions of state government, under appropriate standards, the authority to purchase, lease, rent, or otherwise acquire, dispose of, and maintain equipment, proprietary software, and purchased services: PROVIDED, That, agencies and institutions of state government are expressly prohibited from acquiring or disposing of equipment, proprietary software, and purchased services without such delegation of authority. The acquisition and disposition of equipment, proprietary software, and purchased services is exempt from RCW 43.19.1919 and, as provided in RCW 43.19.1901, from the provisions of RCW 43.19.190 through 43.19.200, except that the board, the department, and state agencies, as delegated, must post notices of technology procurement bids on the state's common vendor registration and bid notification system for (i) goods and purchased services of fifty thousand dollars or greater, and (ii) personal services of ten thousand dollars or greater. This subsection (1)(b) does not apply to the legislative branch;

(c) To develop statewide or interagency technical policies, standards, and procedures;

(d) To review and approve standards and common specifications for new or expanded telecommunications networks proposed by agencies, public postsecondary education institutions, educational service districts, or statewide or regional providers of K-12 information technology services, and to assure the cost-effective development and incremental implementation of a statewide video telecommunications system to serve: Public schools; educational service districts; vocational-technical institutes; community colleges; colleges and universities; state and local government; and the general public through public affairs programming;

(e) To provide direction concerning strategic planning goals and objectives for the state. The board shall seek input from the legislature and the judiciary;

(f) To develop and implement a process for the resolution of appeals by:

(i) Vendors concerning the conduct of an acquisition process by an agency or the department; or

(ii) A customer agency concerning the provision of services by the department or by other state agency providers;

(g) To establish policies for the periodic review by the department of agency performance which may include but are not limited to analysis of:

(i) Planning, management, control, and use of information services;

(ii) Training and education; and

(iii) Project management;

(h) To set its meeting schedules and convene at scheduled times, or meet at the request of a majority of its members, the chair, or the director;

(i) To review and approve that portion of the department's budget requests that provides for support to the board; and

(j) To develop procurement policies and procedures, such as unbundled contracting and subcontracting, that encourage and facilitate the purchase of products and services by state agencies and institutions from Washington small

businesses to the maximum extent practicable and consistent with international trade agreement commitments.

(2) Statewide technical standards to promote and facilitate electronic information sharing and access are an essential component of acceptable and reliable public access service and complement content-related standards designed to meet those goals. The board shall:

(a) Establish technical standards to facilitate electronic access to government information and interoperability of information systems, including wireless communications systems. Local governments are strongly encouraged to follow the standards established by the board; and

(b) Require agencies to consider electronic public access needs when planning new information systems or major upgrades of systems.

In developing these standards, the board is encouraged to include the state library, state archives, and appropriate representatives of state and local government.

(3)(a) The board has the duty to govern, operate, and oversee the technical design, implementation, and operation of the K-20 network including, but not limited to, the following duties: Establishment and implementation of K-20 network technical policy, including technical standards and conditions of use; review and approval of network design; procurement of shared network services and equipment; and resolving user/provider disputes concerning technical matters. The board shall delegate general operational and technical oversight to the department as appropriate.

(b) The board has the authority to adopt rules under chapter 34.05 RCW to implement the provisions regarding the technical operations and conditions of use of the K-20 network.

Sec. 7. RCW 39.29.006 and 2009 c 486 s 6 are each amended to read as follows:

As used in this chapter:

(1) "Agency" means any state office or activity of the executive and judicial branches of state government, including state agencies, departments, offices, divisions, boards, commissions, and educational, correctional, and other types of institutions.

(2) "Client services" means services provided directly to agency clients including, but not limited to, medical and dental services, employment and training programs, residential care, and subsidized housing.

(3) "Common vendor registration and bid notification system" means the internet-based vendor registration and bid notification system maintained by and housed within the department of general administration. The requirements contained in chapter 486, Laws of 2009 shall continue to apply to this system, regardless of future changes to its name or management structure.

(4) "Competitive solicitation" means a documented formal process providing an equal and open opportunity to qualified parties and culminating in a selection based on criteria which may include such factors as the consultant's fees or costs, ability, capacity, experience, reputation, responsiveness to time limitations, responsiveness to solicitation requirements, quality of previous performance, and compliance with statutes and rules relating to contracts or services. "Competitive solicitation" includes posting of the contract opportunity on the state's common vendor registration and bid notification system.

(5) "Consultant" means an independent individual or firm contracting with an agency to perform a service or render an opinion or recommendation according to the consultant's methods and without being subject to the control of the agency except as to the result of the work. The agency monitors progress under the contract and authorizes payment.

(6) "Emergency" means a set of unforeseen circumstances beyond the control of the agency that either:

(a) Present a real, immediate threat to the proper performance of essential functions; or

(b) May result in material loss or damage to property, bodily injury, or loss of life if immediate action is not taken.

(7) "Evidence of competition" means documentation demonstrating that the agency has solicited responses from multiple firms in selecting a consultant. "Evidence of competition" includes documentation that the agency has posted the contract opportunity on the state's common vendor registration and bid notification system.

(8) "In-state business" means a business that has its principal office located in Washington.

(9) "Personal service" means professional or technical expertise provided by a consultant to accomplish a specific study, project, task, or other work statement. This term does not include purchased services as defined under subsection ((40)) (11) of this section. This term does include client services.

((9)) (10) "Personal service contract" means an agreement, or any amendment thereto, with a consultant for the rendering of personal services to the state which is consistent with RCW 41.06.142.

((40)) (11) "Purchased services" means services provided by a vendor to accomplish routine, continuing and necessary functions. This term includes, but is not limited to, services acquired under RCW 43.19.190 or 43.105.041 for equipment maintenance and repair; operation of a physical plant; security; computer hardware and software maintenance; data entry; key punch services; and computer time-sharing, contract programming, and analysis.

((44)) (12) "Small business" means an in-state business, including a sole proprietorship, corporation, partnership, or other legal entity, that: (a) Certifies, under penalty of perjury, that it is owned and operated independently from all other businesses and has either ((a)) (i) fifty or fewer employees, or ((b)) (ii) a gross revenue of less than seven million dollars annually as reported on its federal income tax return or its return filed with the department of revenue over the previous three consecutive years~~((— As used in this definition, "in-state business" means a business that has its principal office located in Washington and its officers domiciled in Washington))~~; or (b) is certified under chapter 39.19 RCW.

((42)) (13) "Sole source" means a consultant providing professional or technical expertise of such a unique nature that the consultant is clearly and justifiably the only practicable source to provide the service. The justification shall be based on either the uniqueness of the service or sole availability at the location required.

NEW SECTION. Sec. 8. If specific funding for the purposes of section 3 of this act, referencing section 3 of this act by bill or chapter number and section

number, is not provided by June 30, 2012, in the omnibus appropriations act, section 3 of this act is null and void.

Passed by the House April 13, 2011.

Passed by the Senate April 7, 2011.

Approved by the Governor May 16, 2011, with the exception of certain items that were vetoed.

Filed in Office of Secretary of State May 17, 2011.

Note: Governor's explanation of partial veto is as follows:

"I am returning herewith, without my approval as to Section 5, House Bill 1770 entitled:

"AN ACT Relating to enhancing small business participation in state purchasing."

I am vetoing Section 5 because it inadvertently eliminated the ability for agencies to make purchases up to three thousand dollars based on buyer experience and knowledge of the market and is therefore in conflict with RCW 43.19.1906(2).

For this reason I have vetoed Section 5 of House Bill 1770.

With the exception of Section 5, House Bill 1770 is approved."

CHAPTER 359

[Engrossed Second Substitute House Bill 1776]

CHILD CARE CENTERS—PUBLIC OR PRIVATE SCHOOL BUILDINGS

AN ACT Relating to licensing requirements for child care centers located in publicly owned buildings; amending RCW 43.215.200; and creating a new section.

Be it enacted by the Legislature of the State of Washington:

NEW SECTION. Sec. 1. (1) The legislature finds that some licensed child care centers seeking to operate in public schools incur substantial costs to renovate spaces that are considered safe for children to use for the purpose of education. Consequently, families are forced to seek before or after school child care outside of the school building, resulting in additional transitions for students.

(2) It is the legislature's intent to allow licensed child care centers that serve school-age children to operate in facilities that provide a safe and healthy environment for children to use for the purpose of education. With respect to section 2(2) of this act, the legislature intends that the development of any related child care licensing requirements shall:

- (a) Ensure safe and healthy environments for children;
- (b) Utilize existing rule-making processes and resources;
- (c) Utilize existing requirements as a starting point rather than create an entirely new set of requirements; and
- (d) Give due consideration to the burdens imposed by inconsistent licensing requirements.

Sec. 2. RCW 43.215.200 and 2007 c 415 s 3 are each amended to read as follows:

It shall be the director's duty with regard to licensing:

(1) In consultation and with the advice and assistance of persons representative of the various type agencies to be licensed, to designate categories of child care facilities for which separate or different requirements shall be

developed as may be appropriate whether because of variations in the ages and other characteristics of the children served, variations in the purposes and services offered or size or structure of the agencies to be licensed, or because of any other factor relevant thereto;

(2) In consultation with the state fire marshal's office, the director shall use an interagency process to address health and safety requirements for child care programs that serve school-age children and are operated in buildings that contain public or private schools that safely serve children during times in which school is in session;

(3) In consultation and with the advice and assistance of parents or guardians, and persons representative of the various type agencies to be licensed, to adopt and publish minimum requirements for licensing applicable to each of the various categories of agencies to be licensed under this chapter;

~~((3))~~ (4) In consultation with law enforcement personnel, the director shall investigate the conviction record or pending charges of each agency and its staff seeking licensure or relicensure, and other persons having unsupervised access to children in care;

~~((4))~~ (5) To issue, revoke, or deny licenses to agencies pursuant to this chapter. Licenses shall specify the category of care that an agency is authorized to render and the ages and number of children to be served;

~~((5))~~ (6) To prescribe the procedures and the form and contents of reports necessary for the administration of this chapter and to require regular reports from each licensee;

~~((6))~~ (7) To inspect agencies periodically to determine whether or not there is compliance with this chapter and the requirements adopted under this chapter;

~~((7))~~ (8) To review requirements adopted under this chapter at least every two years and to adopt appropriate changes after consultation with affected groups for child day care requirements; and

~~((8))~~ (9) To consult with public and private agencies in order to help them improve their methods and facilities for the care and early learning of children.

Passed by the House April 13, 2011.

Passed by the Senate April 5, 2011.

Approved by the Governor May 16, 2011.

Filed in Office of Secretary of State May 17, 2011.

CHAPTER 360

[Engrossed Substitute House Bill 1886]

CRITICAL AREA PROTECTION—VOLUNTARY STEWARDSHIP PROGRAM

AN ACT Relating to implementing recommendations developed in accordance with Substitute Senate Bill No. 5248, chapter 353, Laws of 2007; amending RCW 36.70A.280; reenacting and amending RCW 36.70A.130; adding new sections to chapter 36.70A RCW; adding a new section to chapter 43.21C RCW; and creating a new section.

Be it enacted by the Legislature of the State of Washington:

NEW SECTION. Sec. 1. (1) The purpose of this act is to establish the voluntary stewardship program as recommended in the report submitted by the William D. Ruckelshaus Center to the legislature as required by chapter 353, Laws of 2007 and chapter 203, Laws of 2010.

(2) It is the intent of this act to:

(a) Promote plans to protect and enhance critical areas within the area where agricultural activities are conducted, while maintaining and improving the long-term viability of agriculture in the state of Washington and reducing the conversion of farmland to other uses;

(b) Focus and maximize voluntary incentive programs to encourage good riparian and ecosystem stewardship as an alternative to historic approaches used to protect critical areas;

(c) Rely upon RCW 36.70A.060 for the protection of critical areas for those counties that do not choose to participate in this program;

(d) Leverage existing resources by relying upon existing work and plans in counties and local watersheds, as well as existing state and federal programs to the maximum extent practicable to achieve program goals;

(e) Encourage and foster a spirit of cooperation and partnership among county, tribal, environmental, and agricultural interests to better assure the program success;

(f) Improve compliance with other laws designed to protect water quality and fish habitat; and

(g) Rely upon voluntary stewardship practices as the primary method of protecting critical areas and not require the cessation of agricultural activities.

NEW SECTION. Sec. 2. The definitions in this section apply to sections 1 through 15 of this act and RCW 36.70A.130 and 36.70A.280 unless the context clearly requires otherwise.

(1) "Agricultural activities" means all agricultural uses and practices as defined in RCW 90.58.065.

(2) "Commission" means the state conservation commission as defined in RCW 89.08.030.

(3) "Director" means the executive director of the state conservation commission.

(4) "Enhance" or "enhancement" means to improve the processes, structure, and functions existing, as of the effective date of this section, of ecosystems and habitats associated with critical areas.

(5) "Participating watershed" means a watershed identified by a county under section 4(1) of this act to participate in the program.

(6) "Priority watershed" means a geographic area nominated by the county and designated by the commission.

(7) "Program" means the voluntary stewardship program established in section 3 of this act.

(8) "Protect" or "protecting" means to prevent the degradation of functions and values existing as of the effective date of this section.

(9) "Receipt of funding" means the date a county takes legislative action accepting any funds as required in section 5(1) of this act to implement the program.

(10) "Statewide advisory committee" means the statewide advisory committee created in section 11 of this act.

(11) "Technical panel" means the directors or director designees of the following agencies: The department of fish and wildlife; the department of agriculture; the department of ecology; and the commission.

(12) "Watershed" means a water resource inventory area, salmon recovery planning area, or a subbasin as determined by a county.

(13) "Watershed group" means an entity designated by a county under the provisions of section 5 of this act.

(14) "Work plan" means a watershed work plan developed under the provisions of section 6 of this act.

NEW SECTION. Sec. 3. (1) The voluntary stewardship program is established to be administered by the commission. The program shall be designed to protect and enhance critical areas on lands used for agricultural activities through voluntary actions by agricultural operators.

(2) In administering the program, the commission must:

(a) Establish policies and procedures for implementing the program;

(b) Administer funding for counties to implement the program including, but not limited to, funding to develop strategies and incentive programs and to establish local guidelines for watershed stewardship programs;

(c) Administer the program's technical assistance funds and coordinate among state agencies and other entities for the implementation of the program;

(d) Establish a technical panel;

(e) In conjunction with the technical panel, review and evaluate: (i) Work plans submitted for approval under section 6(2)(a) of this act; and (ii) reports submitted under section 6(2)(b) of this act;

(f) Review and evaluate the program's success and effectiveness and make appropriate changes to policies and procedures for implementing the program, in consultation with the statewide advisory committee and other affected agencies;

(g) Designate priority watersheds based upon the recommendation of the statewide advisory committee. The commission and the statewide advisory committee may only consider watersheds nominated by counties under section 4 of this act. When designating priority watersheds, the commission and the statewide advisory committee shall consider the statewide significance of the criteria listed in section 4(3) of this act;

(h) Provide administrative support for the program's statewide advisory committee in its work. The administrative support must be in collaboration with the department of ecology and other agencies involved in the program;

(i) Maintain a web site about the program that includes times, locations, and agenda information for meetings of the statewide advisory committee;

(j) Report to the legislature on the general status of program implementation by December 1, 2013, and December 1, 2015;

(k) In conjunction with the statewide advisory committee, conduct a review of the program beginning in 2017 and every five years thereafter, and report its findings to the legislature by December 1st; and

(l) Report to the appropriate committees of the legislature in the format provided in RCW 43.01.036.

(3) The department shall assist counties participating in the program to develop plans and development regulations under section 9(1) of this act.

(4) The commission, department, department of agriculture, department of fish and wildlife, department of ecology, and other state agencies as directed by the governor shall:

(a) Cooperate and collaborate to implement the program; and

(b) Develop materials to assist local watershed groups in development of work plans.

(5) State agencies conducting new monitoring to implement the program in a watershed must focus on the goals and benchmarks of the work plan.

NEW SECTION. Sec. 4. (1)(a) As an alternative to protecting critical areas in areas used for agricultural activities through development regulations adopted under RCW 36.70A.060, the legislative authority of a county may elect to protect such critical areas through the program.

(b) In order to participate in the program, within six months after the effective date of this section, the legislative authority of a county must adopt an ordinance or resolution that:

- (i) Elects to have the county participate in the program;
- (ii) Identifies the watersheds that will participate in the program; and
- (iii) Based on the criteria in subsection (4) of this section, nominates watersheds for consideration by the commission as state priority watersheds.

(2) Before adopting the ordinance or resolution under subsection (1) of this section, the county must (a) confer with tribes, and environmental and agricultural interests; and (b) provide notice following the public participation and notice provisions of RCW 36.70A.035 to property owners and other affected and interested individuals, tribes, government agencies, businesses, school districts, and organizations.

(3) In identifying watersheds to participate in the program, a county must consider:

(a) The role of farming within the watershed, including the number and acreage of farms, the economic value of crops and livestock, and the risk of the conversion of farmland;

(b) The overall likelihood of completing a successful program in the watershed; and

(c) Existing watershed programs, including those of other jurisdictions in which the watershed has territory.

(4) In identifying priority watersheds, a county must consider the following:

(a) The role of farming within the watershed, including the number and acreage of farms, the economic value of crops and livestock, and the risk of the conversion of farmland;

(b) The importance of salmonid resources in the watershed;

(c) An evaluation of the biological diversity of wildlife species and their habitats in the geographic region including their significance and vulnerability;

(d) The presence of leadership within the watershed that is representative and inclusive of the interests in the watershed;

(e) Integration of regional watershed strategies, including the availability of a data and scientific review structure related to all types of critical areas;

(f) The presence of a local watershed group that is willing and capable of overseeing a successful program, and that has the operational structures to administer the program effectively, including professional technical assistance staff, and monitoring and adaptive management structures; and

(g) The overall likelihood of completing a successful program in the watershed.

(5) Except as otherwise provided in subsection (9) of this section, beginning with the effective date of the ordinance or resolution adopted under subsection (1) of this section, the program applies to all unincorporated property upon which agricultural activities occur within a participating watershed.

(6)(a) Except as otherwise provided in (b) of this subsection, within two years after the effective date of this section, a county must review and, if necessary, revise development regulations adopted under this chapter to protect critical areas as they specifically apply to agricultural activities:

(i) If the county has not elected to participate in the program, for all unincorporated areas; or

(ii) If the county has elected to participate in the program, for any watershed not participating in the program.

(b) A county that between July 1, 2003, and June 30, 2007, in accordance with RCW 36.70A.130 completed the review of its development regulations as required by RCW 36.70A.130 to protect critical areas as they specifically apply to agricultural activities is not required to review and revise its development regulations until required by RCW 36.70A.130.

(c) After the review and amendment required under (a) of this subsection, RCW 36.70A.130 applies to the subsequent review and amendment of development regulations adopted under this chapter to protect critical areas as they specifically apply to agricultural activities.

(7)(a) A county that has made the election under subsection (1) of this section may withdraw a participating watershed from the program by adopting an ordinance or resolution withdrawing the watershed from the program. A county may withdraw a watershed from the program at the end of three years, five years, or eight years after receipt of funding, or any time after ten years from receipt of funding.

(b) Within eighteen months after withdrawing a participating watershed from the program, the county must review and, if necessary, revise its development regulations that protect critical areas in that watershed as they specifically apply to agricultural activities. The development regulations must protect the critical area functions and values as they existed on the effective date of this section. RCW 36.70A.130 applies to the subsequent review and amendment of development regulations adopted under this chapter to protect critical areas as they specifically apply to agricultural activities.

(8) A county that has made the election under subsection (1) of this section is eligible for a share of the funding made available to implement the program, subject to funding availability from the state.

(9) A county that has made the election under subsection (1) of this section is not required to implement the program in a participating watershed until adequate funding for the program in that watershed is provided to the county.

NEW SECTION. Sec. 5. (1) When the commission makes funds available to a county that has made the election provided in section 4(1) of this act, the county must within sixty days:

(a) Acknowledge the receipt of funds; and

(b) Designate a watershed group and an entity to administer funds for each watershed for which funding has been provided.

(2) A county must confer with tribes and interested stakeholders before designating or establishing a watershed group.

(3) The watershed group must include broad representation of key watershed stakeholders and, at a minimum, representatives of agricultural and environmental groups and tribes that agree to participate. The county should

encourage existing lead entities, watershed planning units, or other integrating organizations to serve as the watershed group.

(4) The county may designate itself, a tribe, or another entity to coordinate the local watershed group.

NEW SECTION. Sec. 6. (1) A watershed group designated by a county under section 5 of this act must develop a work plan to protect critical areas while maintaining the viability of agriculture in the watershed. The work plan must include goals and benchmarks for the protection and enhancement of critical areas. In developing and implementing the work plan, the watershed group must:

(a) Review and incorporate applicable water quality, watershed management, farmland protection, and species recovery data and plans;

(b) Seek input from tribes, agencies, and stakeholders;

(c) Develop goals for participation by agricultural operators conducting commercial and noncommercial agricultural activities in the watershed necessary to meet the protection and enhancement benchmarks of the work plan;

(d) Ensure outreach and technical assistance is provided to agricultural operators in the watershed;

(e) Create measurable benchmarks that, within ten years after the receipt of funding, are designed to result in (i) the protection of critical area functions and values and (ii) the enhancement of critical area functions and values through voluntary, incentive-based measures;

(f) Designate the entity or entities that will provide technical assistance;

(g) Work with the entity providing technical assistance to ensure that individual stewardship plans contribute to the goals and benchmarks of the work plan;

(h) Incorporate into the work plan any existing development regulations relied upon to achieve the goals and benchmarks for protection;

(i) Establish baseline monitoring for: (i) Participation activities and implementation of the voluntary stewardship plans and projects; (ii) stewardship activities; and (iii) the effects on critical areas and agriculture relevant to the protection and enhancement benchmarks developed for the watershed;

(j) Conduct periodic evaluations, institute adaptive management, and provide a written report of the status of plans and accomplishments to the county and to the commission within sixty days after the end of each biennium;

(k) Assist state agencies in their monitoring programs; and

(l) Satisfy any other reporting requirements of the program.

(2)(a) The watershed group shall develop and submit the work plan to the director for approval as provided in section 7 of this act.

(b)(i) Not later than five years after the receipt of funding for a participating watershed, the watershed group must report to the director and the county on whether it has met the work plan's protection and enhancement goals and benchmarks.

(ii) If the watershed group determines the protection goals and benchmarks have been met, and the director concurs under section 8 of this act, the watershed group shall continue to implement the work plan.

(iii) If the watershed group determines the protection goals and benchmarks have not been met, it must propose and submit to the director an adaptive management plan to achieve the goals and benchmarks that were not met. If the

director does not approve the adaptive management plan under section 8 of this act, the watershed is subject to section 9 of this act.

(iv) If the watershed group determines the enhancement goals and benchmarks have not been met, the watershed group must determine what additional voluntary actions are needed to meet the benchmarks, identify the funding necessary to implement these actions, and implement these actions when funding is provided.

(c)(i) Not later than ten years after receipt of funding for a participating watershed, and every five years thereafter, the watershed group must report to the director and the county on whether it has met the protection and enhancement goals and benchmarks of the work plan.

(ii) If the watershed group determines the protection goals and benchmarks have been met, and the director concurs under section 8 of this act, the watershed group shall continue to implement the work plan.

(iii) If the watershed group determines the protection goals and benchmarks have not been met, the watershed is subject to section 9 of this act.

(iv) If the watershed group determines the enhancement goals and benchmarks have not been met, the watershed group must determine what additional voluntary actions are needed to meet the benchmarks, identify the funding necessary to implement these actions, and implement these actions when funding is provided.

(3) Following approval of a work plan, a county or watershed group may request a state or federal agency to focus existing enforcement authority in that participating watershed, if the action will facilitate progress toward achieving work plan protection goals and benchmarks.

(4) The commission may provide priority funding to any watershed designated under the provisions of section 3(2)(g) of this act. The director, in consultation with the statewide advisory committee, shall work with the watershed group to develop an accelerated implementation schedule for watersheds that receive priority funding.

(5) Commercial and noncommercial agricultural operators participating in the program are eligible to receive funding and assistance under watershed programs.

NEW SECTION. Sec. 7. (1) Upon receipt of a work plan submitted to the director under section 6(2)(a) of this act, the director must submit the work plan to the technical panel for review.

(2) The technical panel shall review the work plan and report to the director within forty-five days after the director receives the work plan. The technical panel shall assess whether at the end of ten years after receipt of funding, the work plan, in conjunction with other existing plans and regulations, will protect critical areas while maintaining and enhancing the viability of agriculture in the watershed.

(3)(a) If the technical panel determines the proposed work plan will protect critical areas while maintaining and enhancing the viability of agriculture in the watershed:

- (i) It must recommend approval of the work plan; and
- (ii) The director must approve the work plan.

(b) If the technical panel determines the proposed work plan will not protect critical areas while maintaining and enhancing the viability of agriculture in the watershed:

(i) It must identify the reasons for its determination; and

(ii) The director must advise the watershed group of the reasons for disapproval.

(4) The watershed group may modify and resubmit its work plan for review and approval consistent with this section.

(5) If the director does not approve a work plan submitted under this section within two years and nine months after receipt of funding, the director shall submit the work plan to the statewide advisory committee for resolution. If the statewide advisory committee recommends approval, the director must approve the work plan.

(6) If the director does not approve a work plan for a watershed within three years after receipt of funding, the provisions of section 9(2) of this act apply to the watershed.

NEW SECTION. Sec. 8. (1) Upon receipt of a report by a watershed group under section 6(2)(b) of this act that the work plan goals and benchmarks have been met, the director must consult with the statewide advisory committee. If the director concurs with the watershed group report, the watershed group shall continue to implement the work plan. If the director does not concur with the watershed group report, the director shall consult with the statewide advisory committee following the procedures in subsection (2) of this section.

(2) If either the director, following receipt of a report under subsection (1) of this section, or the watershed group, in the report submitted to the director under section 6(2)(b) of this act, concludes that the work plan goals and benchmarks for protection have not been met, the director must consult with the statewide advisory committee for a recommendation on how to proceed. If the director, acting upon recommendation from the statewide advisory committee, determines that the watershed is likely to meet the goals and benchmarks with an additional six months of planning and implementation time, the director must grant an extension. If the director, acting upon a recommendation from the statewide advisory committee, determines that the watershed is unlikely to meet the goals and benchmarks within six months, the watershed is subject to section 9 of this act.

(3) A watershed that fails to meet its goals and benchmarks for protection within the six-month time extension under subsection (2) of this section is subject to section 9 of this act.

NEW SECTION. Sec. 9. (1) Within eighteen months after one of the events in subsection (2) of this section, a county must:

(a) Develop, adopt, and implement a watershed work plan approved by the department that protects critical areas in areas used for agricultural activities while maintaining the viability of agriculture in the watershed. The department shall consult with the departments of agriculture, ecology, and fish and wildlife and the commission, and other relevant state agencies before approving or disapproving the proposed work plan. The appeal of the department's decision under this subsection is subject to appeal under RCW 36.70A.280;

(b) Adopt development regulations previously adopted under this chapter by another local government for the purpose of protecting critical areas in areas used for agricultural activities. Regulations adopted under this subsection (1)(b) must be from a region with similar agricultural activities, geography, and geology and must: (i) Be from Clallam, Clark, King, or Whatcom counties; or (ii) have been upheld by a growth management hearings board or court after July 1, 2011, where the board or court determined that the provisions adequately protected critical areas functions and values in areas used for agricultural activities;

(c) Adopt development regulations certified by the department as protective of critical areas in areas used for agricultural activities as required by this chapter. The county may submit existing or amended regulations for certification. The department must make its decision on whether to certify the development regulations within ninety days after the county submits its request. If the department denies the certification, the county shall take an action under (a), (b), or (d) of this subsection. The department must consult with the departments of agriculture, ecology, and fish and wildlife and the commission before making a certification under this section. The appeal of the department's decision under this subsection (1)(c) is subject to appeal under RCW 36.70A.280; or

(d) Review and, if necessary, revise development regulations adopted under this chapter to protect critical areas as they relate to agricultural activities.

(2) A participating watershed is subject to this section if:

(a) The work plan is not approved by the director as provided in section 7 of this act;

(b) The work plan's goals and benchmarks for protection have not been met as provided in section 6 of this act;

(c) The commission has determined under section 10 of this act that the county, department, commission, or departments of agriculture, ecology, or fish and wildlife have not received adequate funding to implement a program in the watershed; or

(d) The commission has determined under section 10 of this act that the watershed has not received adequate funding to implement the program.

(3) The department shall adopt rules to implement subsection (1)(a) and (c) of this section.

NEW SECTION. Sec. 10. (1) By July 31, 2015, the commission must:

(a) In consultation with each county that has elected under section 4 of this act to participate in the program, determine which participating watersheds received adequate funding to establish and implement the program in a participating watershed by July 1, 2015; and

(b) In consultation with other state agencies, for each participating watershed determine whether state agencies required to take action under the provisions of sections 1 through 15 of this act have received adequate funding to support the program by July 1, 2015.

(2) By July 31, 2017, and every two years thereafter, in consultation with each county that has elected under section 4 of this act to participate in the program and other state agencies, the commission shall determine for each participating watershed whether adequate funding to implement the program

was provided during the preceding biennium as provided in subsection (1) of this section.

(3) If the commission determines under subsection (1) or (2) of this section that a participating watershed has not received adequate funding, the watershed is subject to the provisions of section 9 of this act.

(4) In consultation with the statewide advisory committee and other state agencies, not later than August 31, 2015, and each August 31st every two years thereafter, the commission shall report to the legislature and each county that has elected under section 4 of this act to participate in the program on the participating watersheds that have received adequate funding to establish and implement the program.

NEW SECTION. Sec. 11. (1)(a) From the nominations made under (b) of this subsection, the commission shall appoint a statewide advisory committee, consisting of: Two persons representing county government, two persons representing agricultural organizations, and two persons representing environmental organizations. The commission, in conjunction with the governor's office, shall also invite participation by two representatives of tribal governments.

(b) Organizations representing county, agricultural, and environmental organizations shall submit nominations of their representatives to the commission within ninety days of the effective date of this section. Members of the statewide advisory committee shall serve two-year terms except that for the first year, one representative from each of the sectors shall be appointed to the statewide advisory committee for a term of one year. Members may be reappointed by the commission for additional two-year terms and replacement members shall be appointed in accordance with the process for selection of the initial members of the statewide advisory committee.

(c) Upon notification of the commission by an appointed member, the appointed member may designate a person to serve as an alternate.

(d) The executive director of the commission shall serve as a nonvoting chair of the statewide advisory committee.

(e) Members of the statewide advisory committee shall serve without compensation and, unless serving as a state officer or employee, are not eligible for reimbursement for subsistence, lodging, and travel expenses under RCW 43.03.050 and 43.03.060.

(2) The role of the statewide advisory committee is to advise the commission and other agencies involved in development and operation of the program.

NEW SECTION. Sec. 12. (1) Agricultural operators implementing an individual stewardship plan consistent with a work plan are presumed to be working toward the protection and enhancement of critical areas.

(2) If the watershed group determines that additional or different practices are needed to achieve the work plan's goals and benchmarks, the agricultural operator may not be required to implement those practices but may choose to implement the revised practices on a voluntary basis and is eligible for funding to revise the practices.

NEW SECTION. Sec. 13. In developing stewardship practices to implement the work plan, to the maximum extent practical the watershed group should:

(1) Avoid management practices that may have unintended adverse consequences for other habitats, species, and critical areas functions and values; and

(2) Administer the program in a manner that allows participants to be eligible for public or private environmental protection and enhancement incentives while protecting and enhancing critical area functions and values.

NEW SECTION. Sec. 14. An agricultural operator participating in the program may withdraw from the program and is not required to continue voluntary measures after the expiration of an applicable contract. The watershed group must account for any loss of protection resulting from withdrawals when establishing goals and benchmarks for protection and a work plan under section 6 of this act.

NEW SECTION. Sec. 15. Nothing in sections 1 through 14 of this act may be construed to:

(1) Interfere with or supplant the ability of any agricultural operator to work cooperatively with a conservation district or participate in state or federal conservation programs;

(2) Require an agricultural operator to discontinue agricultural activities legally existing before the effective date of this section;

(3) Prohibit the voluntary sale or leasing of land for conservation purposes, either in fee or as an easement;

(4) Grant counties or state agencies additional authority to regulate critical areas on lands used for agricultural activities; and

(5) Limit the authority of a state agency, local government, or landowner to carry out its obligations under any other federal, state, or local law.

Sec. 16. RCW 36.70A.130 and 2010 c 216 s 1 and 2010 c 211 s 2 are each reenacted and amended to read as follows:

(1)(a) Each comprehensive land use plan and development regulations shall be subject to continuing review and evaluation by the county or city that adopted them. Except as otherwise provided, a county or city shall take legislative action to review and, if needed, revise its comprehensive land use plan and development regulations to ensure the plan and regulations comply with the requirements of this chapter according to the deadlines in subsections (4) and (5) of this section.

(b) Except as otherwise provided, a county or city not planning under RCW 36.70A.040 shall take action to review and, if needed, revise its policies and development regulations regarding critical areas and natural resource lands adopted according to this chapter to ensure these policies and regulations comply with the requirements of this chapter according to the deadlines in subsections (4) and (5) of this section. Legislative action means the adoption of a resolution or ordinance following notice and a public hearing indicating at a minimum, a finding that a review and evaluation has occurred and identifying the revisions made, or that a revision was not needed and the reasons therefor.

(c) The review and evaluation required by this subsection may be combined with the review required by subsection (3) of this section. The review and

evaluation required by this subsection shall include, but is not limited to, consideration of critical area ordinances and, if planning under RCW 36.70A.040, an analysis of the population allocated to a city or county from the most recent ten-year population forecast by the office of financial management.

(d) Any amendment of or revision to a comprehensive land use plan shall conform to this chapter. Any amendment of or revision to development regulations shall be consistent with and implement the comprehensive plan.

(2)(a) Each county and city shall establish and broadly disseminate to the public a public participation program consistent with RCW 36.70A.035 and 36.70A.140 that identifies procedures and schedules whereby updates, proposed amendments, or revisions of the comprehensive plan are considered by the governing body of the county or city no more frequently than once every year. "Updates" means to review and revise, if needed, according to subsection (1) of this section, and the deadlines in subsections (4) and (5) of this section or in accordance with the provisions of subsection (6) of this section. Amendments may be considered more frequently than once per year under the following circumstances:

(i) The initial adoption of a subarea plan. Subarea plans adopted under this subsection (2)(a)(i) must clarify, supplement, or implement jurisdiction-wide comprehensive plan policies, and may only be adopted if the cumulative impacts of the proposed plan are addressed by appropriate environmental review under chapter 43.21C RCW;

(ii) The development of an initial subarea plan for economic development located outside of the one hundred year floodplain in a county that has completed a state-funded pilot project that is based on watershed characterization and local habitat assessment;

(iii) The adoption or amendment of a shoreline master program under the procedures set forth in chapter 90.58 RCW;

(iv) The amendment of the capital facilities element of a comprehensive plan that occurs concurrently with the adoption or amendment of a county or city budget; or

(v) The adoption of comprehensive plan amendments necessary to enact a planned action under RCW 43.21C.031(2), provided that amendments are considered in accordance with the public participation program established by the county or city under this subsection (2)(a) and all persons who have requested notice of a comprehensive plan update are given notice of the amendments and an opportunity to comment.

(b) Except as otherwise provided in (a) of this subsection, all proposals shall be considered by the governing body concurrently so the cumulative effect of the various proposals can be ascertained. However, after appropriate public participation a county or city may adopt amendments or revisions to its comprehensive plan that conform with this chapter whenever an emergency exists or to resolve an appeal of a comprehensive plan filed with the growth management hearings board or with the court.

(3)(a) Each county that designates urban growth areas under RCW 36.70A.110 shall review, at least every ten years, its designated urban growth area or areas, and the densities permitted within both the incorporated and unincorporated portions of each urban growth area. In conjunction with this review by the county, each city located within an urban growth area shall review

the densities permitted within its boundaries, and the extent to which the urban growth occurring within the county has located within each city and the unincorporated portions of the urban growth areas.

(b) The county comprehensive plan designating urban growth areas, and the densities permitted in the urban growth areas by the comprehensive plans of the county and each city located within the urban growth areas, shall be revised to accommodate the urban growth projected to occur in the county for the succeeding twenty-year period. The review required by this subsection may be combined with the review and evaluation required by RCW 36.70A.215.

(4) Except as provided in subsection (6) of this section, counties and cities shall take action to review and, if needed, revise their comprehensive plans and development regulations to ensure the plan and regulations comply with the requirements of this chapter as follows:

(a) On or before December 1, 2004, for Clallam, Clark, Jefferson, King, Kitsap, Pierce, Snohomish, Thurston, and Whatcom counties and the cities within those counties;

(b) On or before December 1, 2005, for Cowlitz, Island, Lewis, Mason, San Juan, Skagit, and Skamania counties and the cities within those counties;

(c) On or before December 1, 2006, for Benton, Chelan, Douglas, Grant, Kittitas, Spokane, and Yakima counties and the cities within those counties; and

(d) On or before December 1, 2007, for Adams, Asotin, Columbia, Ferry, Franklin, Garfield, Grays Harbor, Klickitat, Lincoln, Okanogan, Pacific, Pend Oreille, Stevens, Wahkiakum, Walla Walla, and Whitman counties and the cities within those counties.

(5) Except as otherwise provided in subsections (6) and (8) of this section, following the review of comprehensive plans and development regulations required by subsection (4) of this section, counties and cities shall take action to review and, if needed, revise their comprehensive plans and development regulations to ensure the plan and regulations comply with the requirements of this chapter as follows:

(a) On or before December 1, 2014, and every seven years thereafter, for Clallam, Clark, Jefferson, King, Kitsap, Pierce, Snohomish, Thurston, and Whatcom counties and the cities within those counties;

(b) On or before December 1, 2015, and every seven years thereafter, for Cowlitz, Island, Lewis, Mason, San Juan, Skagit, and Skamania counties and the cities within those counties;

(c) On or before December 1, 2016, and every seven years thereafter, for Benton, Chelan, Douglas, Grant, Kittitas, Spokane, and Yakima counties and the cities within those counties; and

(d) On or before December 1, 2017, and every seven years thereafter, for Adams, Asotin, Columbia, Ferry, Franklin, Garfield, Grays Harbor, Klickitat, Lincoln, Okanogan, Pacific, Pend Oreille, Stevens, Wahkiakum, Walla Walla, and Whitman counties and the cities within those counties.

(6)(a) Nothing in this section precludes a county or city from conducting the review and evaluation required by this section before the deadlines established in subsections (4) and (5) of this section. Counties and cities may begin this process early and may be eligible for grants from the department, subject to available funding, if they elect to do so.

(b) A county that is subject to a deadline established in subsection (4)(b) through (d) of this section and meets the following criteria may comply with the requirements of this section at any time within the thirty-six months following the deadline established in subsection (4) of this section: The county has a population of less than fifty thousand and has had its population increase by no more than seventeen percent in the ten years preceding the deadline established in subsection (4) of this section as of that date.

(c) A city that is subject to a deadline established in subsection (4)(b) through (d) of this section and meets the following criteria may comply with the requirements of this section at any time within the thirty-six months following the deadline established in subsection (4) of this section: The city has a population of no more than five thousand and has had its population increase by the greater of either no more than one hundred persons or no more than seventeen percent in the ten years preceding the deadline established in subsection (4) of this section as of that date.

(d) A county or city that is subject to a deadline established in subsection (4)(d) of this section and that meets the criteria established in subsection (6)(b) or (c) of this section may comply with the requirements of subsection (4)(d) of this section at any time within the thirty-six months after the extension provided in subsection (6)(b) or (c) of this section.

(e) State agencies are encouraged to provide technical assistance to the counties and cities in the review of critical area ordinances, comprehensive plans, and development regulations.

(7)(a) The requirements imposed on counties and cities under this section shall be considered "requirements of this chapter" under the terms of RCW 36.70A.040(1). Only those counties and cities that meet the following criteria may receive grants, loans, pledges, or financial guarantees under chapter 43.155 or 70.146 RCW:

(i) Complying with the deadlines in this section;

(ii) Demonstrating substantial progress towards compliance with the schedules in this section for development regulations that protect critical areas; or

(iii) Complying with the extension provisions of subsection (6)(b), (c), or (d) of this section.

(b) A county or city that is fewer than twelve months out of compliance with the schedules in this section for development regulations that protect critical areas is making substantial progress towards compliance. Only those counties and cities in compliance with the schedules in this section may receive preference for grants or loans subject to the provisions of RCW 43.17.250.

(8)(a) Except as otherwise provided in (c) of this subsection, if a participating watershed is achieving benchmarks and goals for the protection of critical areas functions and values, the county is not required to update development regulations to protect critical areas as they specifically apply to agricultural activities in that watershed.

(b) A county that has made the election under section 4(1) of this act may only adopt or amend development regulations to protect critical areas as they specifically apply to agricultural activities in a participating watershed if:

(i) A work plan has been approved for that watershed in accordance with section 7 of this act;

(ii) The local watershed group for that watershed has requested the county to adopt or amend development regulations as part of a work plan developed under section 6 of this act;

(iii) The adoption or amendment of the development regulations is necessary to enable the county to respond to an order of the growth management hearings board or court;

(iv) The adoption or amendment of development regulations is necessary to address a threat to human health or safety; or

(v) Three or more years have elapsed since the receipt of funding.

(c) Beginning ten years from the date of receipt of funding, a county that has made the election under section 4(1) of this act must review and, if necessary, revise development regulations to protect critical areas as they specifically apply to agricultural activities in a participating watershed in accordance with the review and revision requirements and timeline in subsection (5) of this section. This subsection (8)(c) does not apply to a participating watershed that has determined under section 6(2)(c)(ii) of this act that the watershed's goals and benchmarks for protection have been met.

Sec. 17. RCW 36.70A.280 and 2010 c 211 s 7 are each amended to read as follows:

(1) The growth management hearings board shall hear and determine only those petitions alleging either:

(a) That, except as provided otherwise by this subsection, a state agency, county, or city planning under this chapter is not in compliance with the requirements of this chapter, chapter 90.58 RCW as it relates to the adoption of shoreline master programs or amendments thereto, or chapter 43.21C RCW as it relates to plans, development regulations, or amendments, adopted under RCW 36.70A.040 or chapter 90.58 RCW. Nothing in this subsection authorizes the board to hear petitions alleging noncompliance with RCW 36.70A.5801; ~~((c))~~

(b) That the twenty-year growth management planning population projections adopted by the office of financial management pursuant to RCW 43.62.035 should be adjusted;

(c) That the approval of a work plan adopted under section 9(1)(a) of this act is not in compliance with the requirements of the program established under section 4 of this act;

(d) That regulations adopted under section 9(1)(b) of this act are not regionally applicable and cannot be adopted, wholly or partially, by another jurisdiction; or

(e) That a department certification under section 9(1)(c) of this act is erroneous.

(2) A petition may be filed only by: (a) The state, or a county or city that plans under this chapter; (b) a person who has participated orally or in writing before the county or city regarding the matter on which a review is being requested; (c) a person who is certified by the governor within sixty days of filing the request with the board; or (d) a person qualified pursuant to RCW 34.05.530.

(3) For purposes of this section "person" means any individual, partnership, corporation, association, state agency, governmental subdivision or unit thereof, or public or private organization or entity of any character.

(4) To establish participation standing under subsection (2)(b) of this section, a person must show that his or her participation before the county or city was reasonably related to the person's issue as presented to the board.

(5) When considering a possible adjustment to a growth management planning population projection prepared by the office of financial management, the board shall consider the implications of any such adjustment to the population forecast for the entire state.

The rationale for any adjustment that is adopted by the board must be documented and filed with the office of financial management within ten working days after adoption.

If adjusted by the board, a county growth management planning population projection shall only be used for the planning purposes set forth in this chapter and shall be known as the "board adjusted population projection." None of these changes shall affect the official state and county population forecasts prepared by the office of financial management, which shall continue to be used for state budget and planning purposes.

NEW SECTION. Sec. 18. Sections 1 through 15 of this act are each added to chapter 36.70A RCW under the subchapter heading "voluntary stewardship program."

NEW SECTION. Sec. 19. A new section is added to chapter 43.21C RCW to read as follows:

(1) Decisions made under section 6 of this act pertaining to work plans, as defined in section 2 of this act, are not subject to the requirements of RCW 43.21C.030(2)(c).

(2) Decisions made by a county under section 4 of this act on whether to participate in the voluntary stewardship program established by section 3 of this act are not subject to the requirements of RCW 43.21C.030(2)(c).

NEW SECTION. Sec. 20. 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.

NEW SECTION. Sec. 21. 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.

Passed by the House April 14, 2011.

Passed by the Senate April 6, 2011.

Approved by the Governor May 16, 2011.

Filed in Office of Secretary of State May 17, 2011.

CHAPTER 361

[Second Substitute Senate Bill 5595]

PUBLIC UTILITY DISTRICT PRIVILEGE TAX—DISTRIBUTION OF PROCEEDS

AN ACT Relating to distribution of the public utility district privilege tax; amending RCW 54.28.090; and creating a new section.

Be it enacted by the Legislature of the State of Washington:

Sec. 1. RCW 54.28.090 and 1980 c 154 s 9 are each amended to read as follows:

(1) The county legislative authority of each county (~~shall~~) **must** direct the county treasurer to deposit funds to the credit of each taxing district in the county, other than school districts, according to the manner they deem most equitable; except not less than an amount equal to three-fourths of one percent of the gross revenues obtained by a district from the sale of electric energy within any incorporated city or town (~~shall~~) **must** be remitted to such city or town. Information furnished by the district to the county legislative authority (~~shall~~) **must** be the basis for the determination of the amount to be paid to such cities or towns under this subsection.

(2) In the event that a county receives tax proceeds under RCW 54.28.050 because a public utility district operated by another county owns fee title to property in a city or town in the county that receives such tax proceeds, and that city or town adjoins a reservoir on the Columbia river wholly or partially created by such district's hydroelectric facility which began commercial power generation in 1967, but the district has no sales of electrical energy in that city or town, the county may retain seventy percent of such tax proceeds. The county must remit the remainder of the tax proceeds to the city or town in which the district owns fee title to property but has no sales of electrical energy. If the district owns fee title to property in more than one city or town in the county receiving such tax proceeds, and has no sales of electrical energy in those cities or towns, the remainder of the tax must be divided evenly among all such cities and towns.

(3) The provisions of this section (~~shall~~) **do** not apply to the distribution of taxes collected under RCW 54.28.025.

NEW SECTION. Sec. 2. This act applies to public utility district privilege taxes to be distributed in 2012 and each year thereafter.

Passed by the Senate April 20, 2011.

Passed by the House April 6, 2011.

Approved by the Governor May 16, 2011.

Filed in Office of Secretary of State May 17, 2011.

CHAPTER 362

[Substitute House Bill 2021]

PUBLIC EMPLOYEES AND TEACHERS' RETIREMENT—PLAN 1

AN ACT Relating to annual increase amounts in the public employees' retirement system plan 1 and the teachers' retirement system plan 1; amending RCW 41.32.483, 41.32.489, 41.32.4851, 41.40.183, 41.40.197, 41.40.1984, and 41.45.150; creating a new section; declaring an emergency; and providing an effective date.

Be it enacted by the Legislature of the State of Washington:

NEW SECTION. Sec. 1. Chapter 561, Laws of 2009 made necessary changes to the funding plan for the fiscal integrity of the teachers' retirement system, plan 1 and the public employees' retirement system, plan 1, and provides a basis for improvements in the financial soundness of the pension plans. The legislature now finds that changing economic conditions have also made necessary the amendatory provisions contained in this act. Due to the current extraordinary economic recession and due to the financial demands of other core responsibilities of government, it is not feasible for public employers of this state to fund the annual increase amount and continue to ensure the fiscal integrity of these pension funds. The legislature further clarifies and affirms that the intent of the legislature in section 5, chapter 345, Laws of 1995 and this act is to not create any contractual rights to the annual increase amount on the part of the public employees' retirement system, plan 1 and the teachers' retirement system, plan 1 members or retirees. Having reserved the right to amend or repeal these provisions in RCW 41.32.489(6) and 41.40.197(5), the legislature is now exercising that right through this act.

Sec. 2. RCW 41.32.483 and 2007 c 491 s 5 are each amended to read as follows:

(1) Beginning July 1, 2009, the annual increase amount as defined in RCW 41.32.010(~~((46))~~) (4) shall be increased by an amount equal to \$0.40 per month per year of service minus the 2008 gain-sharing increase amount under RCW 41.31.010 as it exists on July 22, 2007. This adjustment shall not decrease the annual increase amount, and is not to exceed \$0.20 per month per year of service. The legislature reserves the right to amend or repeal this section in the future and no member or beneficiary has the contractual right to receive this adjustment to the annual increase amount not granted prior to that time.

(2) The adjustment to the annual increase amount as set forth in section 5, chapter 491, Laws of 2007 was intended by the legislature as a replacement benefit for gain-sharing. If the repeal of chapter 41.31 RCW is held to be invalid in a final determination of a court of law, and the court orders reinstatement of gain-sharing or other alternate benefits as a remedy, then this adjustment to the annual increase amount shall not be included in future annual increase amounts paid on or after the date of such reinstatement.

(3) No additional annual increase under this section shall be provided after June 30, 2011.

Sec. 3. RCW 41.32.489 and 2007 c 89 s 2 are each amended to read as follows:

(1) Beginning July 1, 1995, and annually thereafter through July 1, 2010, the retirement allowance of a person meeting the requirements of this section shall be increased by the annual increase amount.

(a) After July 1, 2010, those currently receiving benefits under this section will receive no additional annual increase amounts above the amount in effect on July 1, 2010, except for those who qualify under subsections (2)(b) and (3)(a) of this section. This subsection shall not reduce retirement allowances below the amounts in effect on the effective date of this section.

(b) After July 1, 2010, no annual increase amounts may be provided to any beneficiaries who are not already receiving benefits under this section, except for those who qualify under subsections (2)(b) and (3)(a) of this section.

(2) The following persons shall be eligible for the benefit provided in subsection (1) of this section:

(a) A beneficiary who has received a retirement allowance for at least one year by July 1st in the calendar year in which the annual increase is given and has attained at least age sixty-six by December 31st in the calendar year in which the annual increase is given; or

(b) A beneficiary whose retirement allowance is lower than the minimum benefit provided under RCW 41.32.4851.

(3) The following persons shall also be eligible for the benefit provided in subsection (1) of this section:

(a) A beneficiary receiving the minimum benefit on June 30, 1995, under RCW 41.32.485; or

(b) A recipient of a survivor benefit on June 30, 1995, which has been increased by RCW 41.32.575.

(4) If otherwise eligible, those receiving an annual adjustment under RCW 41.32.530(1)(d) shall be eligible for the annual increase adjustment in addition to the benefit that would have been received absent this section.

(5) Those receiving a temporary disability benefit under RCW 41.32.540 shall not be eligible for the benefit provided by this section.

(6) The legislature reserves the right to amend or repeal this section in the future and no member or beneficiary has a contractual right to receive this postretirement adjustment not granted prior to that time.

Sec. 4. RCW 41.32.4851 and 2006 c 244 s 1 are each amended to read as follows:

(1) No one who becomes a beneficiary after June 30, 1995, shall receive a monthly retirement allowance of less than twenty-four dollars and twenty-two cents times the number of years of service creditable to the person whose service is the basis of such retirement allowance.

(2) If the retirement allowance payable was adjusted at the time benefit payments to the beneficiary commenced, the minimum allowance provided in this section shall be adjusted in a manner consistent with that adjustment.

(3) Beginning July 1, 1996, the minimum benefit set forth in subsection (1) of this section shall be adjusted annually by the annual increase.

(4) Those receiving a temporary disability benefit under RCW 41.32.540 shall not be eligible for the benefit provided by this section.

(5) ~~((Beginning July 1, 2004, the minimum benefit set forth in subsection (1) of this section, prior to adjustments set forth in subsection (2) of this section, for a beneficiary with at least twenty-five years of service and who has been retired at least twenty years shall be one thousand dollars per month. On July 1, 2006, and each year thereafter, the minimum benefit in this subsection shall be increased by three percent, rounded to the nearest cent.~~

~~(6) Beginning July 1, 2006, the minimum benefit set forth in subsection (1) of this section, prior to adjustments set forth in subsection (2) of this section, for a beneficiary with at least twenty years of service and who has been retired at least twenty-five years shall be one thousand dollars per month. On July 1, 2006, and each year thereafter, the minimum benefit in this subsection shall be increased by three percent, rounded to the nearest cent.)~~ Beginning July 1, 2011, the minimum benefit set forth in subsection (1) of this section, prior to adjustments set forth in subsection (2) of this section, for a beneficiary with

either (a) at least twenty years of service and who has been retired at least twenty-five years, or (b) at least twenty-five years of service and who has been retired at least twenty years, shall be one thousand five hundred dollars per month. On July 1, 2011, and each year thereafter, the minimum benefit in this subsection shall be increased by three percent, rounded to the nearest cent.

Sec. 5. RCW 41.40.183 and 2007 c 491 s 11 are each amended to read as follows:

(1) Beginning July 1, 2009, the annual increase amount as defined in RCW 41.40.010(~~((4+))~~) (4) shall be increased by an amount equal to \$0.40 per month per year of service minus the 2008 gain-sharing increase amount under RCW 41.31.010 as it exists on July 22, 2007. This adjustment shall not decrease the annual increase amount, and is not to exceed \$0.20 per month per year of service. The legislature reserves the right to amend or repeal this section in the future and no member or beneficiary has the contractual right to receive this adjustment to the annual increase amount not granted prior to that time.

(2) The adjustment to the annual increase amount as set forth in section 11, chapter 491, Laws of 2007 was intended by the legislature as a replacement benefit for gain-sharing. If the repeal of chapter 41.31 RCW is held to be invalid in a final determination of a court of law, and the court orders reinstatement of gain-sharing or other alternate benefits as a remedy, then this adjustment to the annual increase amount shall not be included in future annual increase amounts paid on or after the date of such reinstatement.

(3) No additional increase under this section shall be provided after June 30, 2011.

Sec. 6. RCW 41.40.197 and 2007 c 89 s 1 are each amended to read as follows:

(1) Beginning July 1, 1995, and annually thereafter through July 1, 2010, the retirement allowance of a person meeting the requirements of this section shall be increased by the annual increase amount.

(a) After July 1, 2010, those currently receiving benefits under this section will receive no additional annual increase amounts above the amount in effect on July 1, 2010, except for those who qualify under subsection (2)(b) of this section. This subsection shall not reduce retirement allowances below the amounts in effect on the effective date of this section.

(b) After July 1, 2010, no annual increase amounts may be provided to any beneficiaries who are not already receiving benefits under this section, except for those who qualify under subsection (2)(b) of this section.

(2) The following persons shall be eligible for the benefit provided in subsection (1) of this section:

(a) A beneficiary who has received a retirement allowance for at least one year by July 1st in the calendar year in which the annual increase is given and has attained at least age sixty-six by December 31st in the calendar year in which the annual increase is given; or

(b) A beneficiary whose retirement allowance is lower than the minimum benefit provided under RCW 41.40.1984.

(3) If otherwise eligible, those receiving an annual adjustment under RCW 41.40.188(1)(c) shall be eligible for the annual increase adjustment in addition to the benefit that would have been received absent this section.

(4) Those receiving a benefit under RCW 41.40.220(1), or a survivor of a disabled member under RCW 41.44.170(5) shall be eligible for the benefit provided by this section.

(5) The legislature reserves the right to amend or repeal this section in the future and no member or beneficiary has a contractual right to receive this postretirement adjustment not granted prior to that time.

Sec. 7. RCW 41.40.1984 and 2006 c 244 s 2 are each amended to read as follows:

(1) Except as provided in subsections (4) and (5) of this section, no one who becomes a beneficiary after June 30, 1995, shall receive a monthly retirement allowance of less than twenty-four dollars and twenty-two cents times the number of years of service creditable to the person whose service is the basis of such retirement allowance.

(2) Where the retirement allowance payable was adjusted at the time benefit payments to the beneficiary commenced, the minimum allowance provided in this section shall be adjusted in a manner consistent with that adjustment.

(3) Beginning July 1, 1996, the minimum benefit set forth in subsection (1) of this section shall be adjusted annually by the annual increase.

(4) Those receiving a benefit under RCW 41.40.220(1) or under RCW 41.44.170 (3) and (5) shall not be eligible for the benefit provided by this section.

(5) For persons who served as elected officials and whose accumulated employee contributions and credited interest was less than seven hundred fifty dollars at the time of retirement, the minimum benefit under subsection (1) of this section shall be ten dollars per month per each year of creditable service.

~~(6) (Beginning July 1, 2004, the minimum benefit set forth in subsection (1) of this section, prior to adjustments set forth in subsection (2) of this section, for a beneficiary with at least twenty-five years of service and who has been retired at least twenty years shall be one thousand dollars per month. On July 1, 2006, and each year thereafter, the minimum benefit in this subsection shall be increased by three percent, rounded to the nearest cent.~~

~~(7) Beginning July 1, 2006, the minimum benefit set forth in subsection (1) of this section, prior to adjustments set forth in subsection (2) of this section, for a beneficiary with at least twenty years of service and who has been retired at least twenty-five years shall be one thousand dollars per month. On July 1, 2006, and each year thereafter, the minimum benefit in this subsection shall be increased by three percent, rounded to the nearest cent.)~~ Beginning July 1, 2011, the minimum benefit set forth in subsection (1) of this section, prior to adjustments set forth in subsection (2) of this section, for a beneficiary with either (a) at least twenty years of service and who has been retired at least twenty-five years, or (b) at least twenty-five years of service and who has been retired at least twenty years, shall be one thousand five hundred dollars per month. On July 1, 2011, and each year thereafter, the minimum benefit in this subsection shall be increased by three percent, rounded to the nearest cent.

Sec. 8. RCW 41.45.150 and 2010 1st sp.s. c 26 s 7 are each amended to read as follows:

(1) Beginning July 1, 2009, and ending June 30, 2015, maximum annual contribution rates are established for the portion of the employer contribution

rate for the public employees' retirement system and the public safety employees' retirement system that is used for the sole purpose of amortizing that portion of the unfunded actuarial accrued liability in the public employees' retirement system plan 1 that excludes any amounts required to amortize plan 1 benefit improvements effective after June 30, 2009. The maximum rates are:

Fiscal Year ending:

2010	2011	2012	2013	2014	2015
1.25%	1.25%	3.75%	4.50%	5.25%	6.00%

(2) Beginning September 1, 2009, and ending August 31, 2015, maximum annual contribution rates are established for the portion of the employer contribution rate for the school employees' retirement system that is used for the sole purpose of amortizing that portion of the unfunded actuarial accrued liability in the public employees' retirement system plan 1 that excludes any amounts required to amortize plan 1 benefit improvements effective after June 30, 2009. The maximum rates are:

Fiscal Year ending:

2010	2011	2012	2013	2014	2015
1.25%	1.25%	3.75%	4.50%	5.25%	6.00%

(3) Beginning September 1, 2009, and ending August 31, 2015, maximum annual contribution rates are established for the portion of the employer contribution rate for the teachers' retirement system that is used for the sole purpose of amortizing that portion of the unfunded actuarial accrued liability in the teachers' retirement system plan 1 that excludes any amounts required to amortize plan 1 benefit improvements effective after June 30, 2009. The maximum rates are:

Fiscal Year ending:

2010	2011	2012	2013	2014	2015
2.04%	2.04%	6.50%	7.50%	8.50%	9.50%

(4) Beginning July 1, 2015, a minimum (~~(5.25)~~) 3.50 percent contribution is established as part of the basic employer contribution rate for the public employees' retirement system and the public safety employees' retirement system, to be used for the sole purpose of amortizing that portion of the unfunded actuarial accrued liability in the public employees' retirement system plan 1 that excludes any amounts required to amortize plan 1 benefit improvements effective after June 30, 2009. This minimum contribution rate shall remain effective until the actuarial value of assets in plan 1 of the public employees' retirement system equals one hundred percent of the actuarial accrued liability.

(5) Beginning September 1, 2015, a minimum (~~(5.25)~~) 3.50 percent contribution is established as part of the basic employer contribution rate for the school employees' retirement system, to be used for the sole purpose of amortizing that portion of the unfunded actuarial accrued liability in the public employees' retirement system plan 1 that excludes any amounts required to

amortize plan 1 benefit improvements effective after June 30, 2009. This minimum contribution rate shall remain effective until the actuarial value of assets in plan 1 of the public employees' retirement system equals one hundred percent of the actuarial accrued liability.

(6) Beginning September 1, 2015, a minimum ~~((8.00))~~ 5.75 percent contribution is established as part of the basic employer contribution rate for the teachers' retirement system, to be used for the sole purpose of amortizing that portion of the unfunded actuarial accrued liability in the teachers' retirement system plan 1 that excludes any amounts required to amortize plan 1 benefit improvements effective after June 30, 2009. This minimum contribution rate shall remain effective until the actuarial value of assets in plan 1 of the teachers' retirement system equals one hundred percent of the actuarial accrued liability.

(7) Upon completion of each biennial actuarial valuation, the state actuary shall review the appropriateness of the minimum contribution rates and recommend to the council any adjustments as may be needed due to material changes in benefits or actuarial assumptions, methods, or experience. Any changes adopted by the council shall be subject to revision by the legislature.

NEW SECTION. 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.

NEW SECTION. Sec. 10. This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and takes effect June 30, 2011.

Passed by the House April 21, 2011.

Passed by the Senate April 22, 2011.

Approved by the Governor May 16, 2011.

Filed in Office of Secretary of State May 17, 2011.

CHAPTER 363

[Substitute Senate Bill 5525]

HOSPITAL BENEFIT ZONES

AN ACT Relating to hospital benefit zones that have already formed; and amending RCW 39.100.010, 39.100.020, 82.14.465, and 82.14.470.

Be it enacted by the Legislature of the State of Washington:

Sec. 1. RCW 39.100.010 and 2007 c 266 s 2 are each amended to read as follows:

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

(1) "Benefit zone" means the geographic zone from which taxes are to be appropriated to finance public improvements authorized under this chapter and in which a hospital that has received a certificate of need is to be constructed.

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

(3) "Local government" means any city, town, county, or any combination thereof.

(4) "Ordinance" means any appropriate method of taking legislative action by a local government.

(5) "Participating taxing authority" means a taxing authority that has entered into a written agreement with a local government for the use of hospital benefit zone financing to the extent of allocating excess local excise taxes to the local government for the purpose of financing all or a portion of the costs of designated public improvements.

(6) "Public improvements" means:

(a) Infrastructure improvements within the benefit zone that include:

~~((a))~~ (i) Street and road construction and maintenance;

~~((b))~~ (ii) Water and sewer system construction and improvements;

~~((c))~~ (iii) Sidewalks and streetlights;

~~((d))~~ (iv) Parking, terminal, and dock facilities;

~~((e))~~ (v) Park and ride facilities of a transit authority;

~~((f))~~ (vi) Park facilities and recreational areas; and

~~((g))~~ (vii) Storm water and drainage management systems; and

(b) The construction, maintenance, and improvement of state highways that are connected to the benefit zone, including interchanges connected to the benefit zone.

(7) "Public improvement costs" means the costs of: (a) Design, planning, acquisition including land acquisition, site preparation including land clearing, construction, reconstruction, rehabilitation, improvement, and installation of public improvements; (b) demolishing, relocating, maintaining, and operating property pending construction of public improvements; (c) relocating utilities as a result of public improvements; and (d) financing public improvements, including interest during construction, legal and other professional services, taxes, insurance, principal and interest costs on indebtedness issued to finance public improvements, and any necessary reserves for indebtedness; and administrative expenses and feasibility studies reasonably necessary and related to these costs, including related costs that may have been incurred before adoption of the ordinance authorizing the public improvements and the use of hospital benefit zone financing to fund the costs of the public improvements.

(8) "Tax allocation revenues" means those tax revenues derived from the receipt of excess local excise taxes under RCW 39.100.050 and distributed by a local government, participating taxing authority, or both, to finance public improvements.

(9) "Taxing authority" means a governmental entity that imposes a sales or use tax under chapter 82.14 RCW upon the occurrence of any taxable event within a proposed or approved benefit zone.

Sec. 2. RCW 39.100.020 and 2007 c 266 s 3 are each amended to read as follows:

A local government may finance public improvements using hospital benefit zone financing subject to the following conditions:

(1)(a) The local government adopts an ordinance designating a benefit zone within its boundaries and specifying the public improvements proposed to be financed in whole or in part with the use of hospital benefit zone financing;

(b) A local government may modify the public improvements to be financed in whole or in part with the use of hospital benefit zone financing by amending the ordinance adopted under (a) of this subsection and holding a public hearing consistent with RCW 39.100.030(1)(b); provided that the total cost of the public improvements is not increased;

(2) The public improvements proposed to be financed in whole or in part using hospital benefit zone financing are expected both to encourage private development within the benefit zone and to support the development of a hospital that has received a certificate of need;

(3) Private development that is anticipated to occur within the benefit zone, as a result of the public improvements, will be consistent with the countywide planning policy adopted by the county under RCW 36.70A.210 and the local government's comprehensive plan and development regulations adopted under chapter 36.70A RCW;

(4) The governing body of the local government finds that the public improvements proposed to be financed in whole or in part using hospital benefit zone financing are reasonably likely to:

(a) Increase private investment within the benefit zone;

(b) Increase employment within the benefit zone; and

(c) Generate, over the period of time that the local sales and use tax will be imposed under RCW 82.14.465, excess state excise taxes that are equal to or greater than the state contributions made under this chapter;

(5) The boundaries of a hospital benefit zone may not overlap any part of the boundaries of another hospital benefit zone or a revenue development area defined in chapter 39.102 RCW; and

(6) The boundaries of a hospital benefit zone may not change once the hospital benefit zone is established and approved by the department.

Sec. 3. RCW 82.14.465 and 2009 c 535 s 1109 are each amended to read as follows:

(1) A city, town, or county that creates a benefit zone and finances public improvements pursuant to chapter 39.100 RCW may impose a sales and use tax in accordance with the terms of this chapter and subject to the criteria set forth in this section. Except as provided in this section, the tax is in addition to other taxes authorized by law and ~~((shall))~~ must be collected from those persons who are taxable by the state under chapters 82.08 and 82.12 RCW upon the occurrence of any taxable event within the taxing jurisdiction of the city, town, or county. The rate of tax ~~((shall))~~ may not exceed the rate provided in RCW 82.08.020(1) in the case of a sales tax or a use tax, less the aggregate rates of any other taxes imposed on the same events that are credited against the state taxes imposed under chapters 82.08 and 82.12 RCW. The tax rate ~~((shall))~~ may be no higher than what is reasonably necessary for the local government to receive its entire annual state contribution in a ten-month period of time.

(2) The tax imposed under subsection (1) of this section ~~((shall))~~ must be deducted from the amount of tax otherwise required to be collected or paid over to the department under chapter 82.08 or 82.12 RCW. The department ~~((shall))~~ must perform the collection of such taxes on behalf of the city, town, or county at no cost to the city, town, or county.

(3) No tax may be imposed under this section before July 1, 2007. Before imposing a tax under this section, the city, town, or county shall first have received tax allocation revenues during the preceding calendar year. The tax imposed under this section ~~((shall))~~ expires on the earlier of the date: (a) The tax allocation revenues are no longer used for public improvements and public improvement costs; (b) the bonds issued ~~((under the authority of chapter 39.100 RCW are retired))~~ to finance or refinance the improvements are no longer

outstanding, if the bonds are issued; or (c) that is thirty years after the tax is first imposed.

(4) An ordinance adopted by the legislative authority of a city, town, or county imposing a tax under this section (~~shall~~) must provide that:

- (a) The tax (~~shall~~) is first (~~be~~) imposed on the first day of a fiscal year;
- (b) The amount of tax received by the local government in any fiscal year (~~shall~~) may not exceed the amount of the state contribution;
- (c) The tax (~~shall~~) must cease to be distributed for the remainder of any fiscal year in which either:

- (i) The amount of tax distributions totals the amount of the state contribution;

- (ii) The amount of tax distributions totals the amount of local public sources, dedicated in the previous calendar year to finance public improvements authorized under chapter 39.100 RCW, expended in the previous year for public improvement costs, or used to pay for other bonds issued to pay for public improvements. Revenues from local public sources, including hospital sources identified in RCW 82.14.465(7)(k), dedicated in the preceding calendar year that are in excess of the project award may be carried forward and used in later years for the purpose of this subsection; or

- (iii) The amount of revenue from taxes imposed under this section by all cities, towns, and counties totals the annual state credit limit as provided in RCW 82.32.700(3);

(d) The tax (~~shall~~) must be distributed again, should it cease to be distributed for any of the reasons provided in (c) of this subsection, at the beginning of the next fiscal year, subject to the restrictions in this section; and

(e) Any revenue generated by the tax in excess of the amounts specified in (b) and (c) of this subsection (~~shall~~) belong to the state of Washington.

(5) If both a county and a city or town impose a tax under this section, the tax imposed by the city, town, or county (~~shall be~~) is credited as follows:

(a) If the county has created a benefit zone before the city or town, the tax imposed by the county (~~shall be~~) is credited against the tax imposed by the city or town, the purpose of such credit is to give priority to the county tax; and

(b) If the city or town has created a benefit zone before the county, the tax imposed by the city or town (~~shall be~~) is credited against the tax imposed by the county, the purpose of such credit is to give priority to the city or town tax.

(6) The department (~~shall~~) must determine the amount of tax distributions attributable to each city, town, and county imposing a sales and use tax under this section and (~~shall~~) must advise a city, town, or county when the tax will cease to be distributed for the remainder of the fiscal year as provided in subsection (4)(c) of this section. Determinations by the department of the amount of taxes attributable to a city, town, or county are final and (~~shall~~) may not be used to challenge the validity of any tax imposed under this section. The department (~~shall~~) must remit any tax revenues in excess of the amounts specified in subsection (4)(b) and (c) of this section to the state treasurer who (~~shall~~) must deposit the moneys in the general fund.

(7) The definitions in this subsection apply throughout this section and RCW 82.14.470 unless the context clearly requires otherwise.

(a) "Base year" means the calendar year immediately following the creation of a benefit zone.

(b) "Benefit zone" has the same meaning as provided in RCW 39.100.010.

(c) "Excess local excise taxes" has the same meaning as provided in RCW 39.100.050.

(d) "Excess state excise taxes" means the amount of excise taxes received by the state during the measurement year from taxable activity within the benefit zone over and above the amount of excise taxes received by the state during the base year from taxable activity within the benefit zone. However, if a local government creates the benefit zone and reasonably determines that no activity subject to tax under chapters 82.08 and 82.12 RCW occurred in the twelve months immediately preceding the creation of the benefit zone within the boundaries of the area that became the benefit zone, "excess state excise taxes" means the entire amount of state excise taxes the state receives during a calendar year period beginning with the calendar year immediately following the creation of the benefit zone and continuing with each measurement year thereafter.

(e) "State excise taxes" means revenues derived from state retail sales and use taxes under chapters 82.08 and 82.12 RCW, less the amount of tax distributions from all local retail sales and use taxes imposed on the same taxable events that are credited against the state retail sales and use taxes under chapters 82.08 and 82.12 RCW except for the local tax authorized in this section.

(f) "Fiscal year" has the same meaning as provided in RCW 39.100.030.

(g) "Measurement year" means a calendar year, beginning with the calendar year following the base year and each calendar year thereafter, that is used annually to measure the amount of excess state excise taxes and excess local excise taxes.

(h) "State contribution" means the lesser of two million dollars or an amount equal to excess state excise taxes received by the state during the preceding calendar year.

(i) "Tax allocation revenues" has the same meaning as provided in RCW 39.100.010.

(j) "Public improvements" and "public improvement costs" have the same meanings as provided in RCW 39.100.010.

(k) "Local public sources" includes, but is not limited to, private monetary contributions, assessments, dedicated local government funds, and tax allocation revenues. "Local public sources" does not include local government funds derived from the state-subsidized portion of any state loan or state grant, any local tax that is credited against the state sales and use taxes, or any other state funds. Local public sources may include amounts expended by a hospital in the zone since the date of formation of the zone and may be applied to the year or years designated by the local government.

Sec. 4. RCW 82.14.470 and 2007 c 266 s 8 are each amended to read as follows:

(1)(a)(i) Moneys collected from the taxes imposed under RCW 82.14.465 (~~shall~~) may be used only for the following purposes:

(A) Principal and interest payments on bonds issued to finance or refinance public improvements in a benefit zone under the authority of RCW 39.100.060;

(B) Principal and interest payments on other bonds issued by the local government to finance public improvements; or

(C) Payments for public improvement costs.

(ii) Moneys collected and used as provided in (a)(i) of this subsection must be matched with an amount from local public sources dedicated, as further provided in RCW 82.14.465 (4)(c)(ii) and (7)(k), through December 31st of the previous calendar year to finance public improvements authorized under chapter 39.100 RCW.

(b) Local public sources are dedicated to finance public improvements if they: (i) Are actually expended to pay public improvement costs or debt service on bonds issued for public improvements; or (ii) are required by law or an agreement to be used exclusively to pay public improvement costs or debt service on bonds issued for public improvements.

(c) A city, town, or county is not required to expend taxes imposed under RCW 82.14.465 in the fiscal year in which the taxes are received.

(2) A local government ~~((shall))~~ must inform the department by the first day of March of the amount of local public sources ~~((dedicated in))~~ allocated to the preceding calendar year to finance public improvements authorized under chapter 39.100 RCW.

(3) If a local government fails to comply with subsection (2) of this section, no tax may be imposed under RCW 82.14.465 in the subsequent fiscal year.

(4)(a) A local government ~~((shall))~~ must provide a report to the department and the state auditor by March 1st of each year. A local government ~~((shall))~~ must make a good faith effort to provide information required for the report.

(b) The report ~~((shall))~~ must contain the following information:

~~((a))~~ (i) The amount of tax allocation revenues, taxes under RCW 82.14.465, and local public sources received by the local government during the preceding calendar year, and a summary of how these revenues were expended; and

~~((b))~~ (ii) The names of any businesses known to the local government that have located within the benefit zone as a result of the public improvements undertaken by the local government and financed in whole or in part with hospital benefit zone financing.

(5) The department ~~((shall))~~ must make a report available to the public and the legislature by June 1st of each year. The report ~~((shall))~~ must include a list of public improvements undertaken by local governments and financed in whole or in part with hospital benefit zone financing, and it ~~((shall))~~ must also include a summary of the information provided to the department by local governments under subsection (4) of this section.

Passed by the Senate April 18, 2011.

Passed by the House April 5, 2011.

Approved by the Governor May 16, 2011.

Filed in Office of Secretary of State May 17, 2011.

CHAPTER 364

[Substitute Senate Bill 5590]

FORECLOSURES—LIENHOLDER REQUIREMENTS—SELLER'S OFFER

AN ACT Relating to lien holder requirements for certain foreclosure sales; amending RCW 61.24.127; reenacting and amending RCW 61.24.005; and adding a new section to chapter 61.24 RCW.

Be it enacted by the Legislature of the State of Washington:

NEW SECTION. Sec. 1. A new section is added to chapter 61.24 RCW to read as follows:

(1) Whenever (a) consummation of a written agreement for the purchase and sale of owner-occupied residential real property would result in contractual sale proceeds that are insufficient to pay in full the obligation owed to a senior beneficiary of a deed of trust encumbering the residential real property; and (b) the seller makes a written offer to the senior beneficiary to accept the entire net proceeds of the sale in order to facilitate closing of the purchase and sale; then the senior beneficiary must, within one hundred twenty days after the receipt of the written offer, deliver to the seller, in writing, an acceptance, rejection, or counter-offer of the seller's written offer. The senior beneficiary may determine, in its sole discretion, whether to accept, reject, or counter-offer the seller's written offer.

(2) This section applies only when the written offer to the senior beneficiary is received by the senior beneficiary prior to the issuance of a notice of default. The offer must include a copy of the purchase and sale agreement. The offer must be sent to the address of the senior beneficiary or the address of a party acting as a servicer of the obligation secured by the deed of trust.

(3) A seller has a right of action for actual monetary damages incurred as a result of the senior beneficiary's failure to comply with the requirements of subsection (1) of this section.

(4) A senior beneficiary is not liable for the actions or inactions of any other lien holder.

(5)(a) This section does not apply to deeds of trust: (i) Securing a commercial loan; (ii) securing obligations of a grantor who is not the borrower or a guarantor; or (iii) securing a purchaser's obligations under a seller-financed sale.

(b) This section does not apply to beneficiaries that are exempt from RCW 61.24.— (section 7, chapter 58, Laws of 2011), if enacted, or if not enacted, to beneficiaries that conduct fewer than two hundred fifty trustee sales per year.

(6) This section does not alter a beneficiary's right to issue a notice of default and does not lengthen or shorten any time period imposed or required under this chapter.

Sec. 2. RCW 61.24.127 and 2009 c 292 s 6 are each amended to read as follows:

(1) The failure of the borrower or grantor to bring a civil action to enjoin a foreclosure sale under this chapter may not be deemed a waiver of a claim for damages asserting:

(a) Common law fraud or misrepresentation;

(b) A violation of Title 19 RCW; ~~((~~¶~~))~~

(c) Failure of the trustee to materially comply with the provisions of this chapter; or

(d) A violation of section 1 of this act.

(2) The nonwaived claims listed under subsection (1) of this section are subject to the following limitations:

(a) The claim must be asserted or brought within two years from the date of the foreclosure sale or within the applicable statute of limitations for such claim, whichever expires earlier;

(b) The claim may not seek any remedy at law or in equity other than monetary damages;

(c) The claim may not affect in any way the validity or finality of the foreclosure sale or a subsequent transfer of the property;

(d) A borrower or grantor who files such a claim is prohibited from recording a lis pendens or any other document purporting to create a similar effect, related to the real property foreclosed upon;

(e) The claim may not operate in any way to encumber or cloud the title to the property that was subject to the foreclosure sale, except to the extent that a judgment on the claim in favor of the borrower or grantor may, consistent with RCW 4.56.190, become a judgment lien on real property then owned by the judgment debtor; and

(f) The relief that may be granted for judgment upon the claim is limited to actual damages. However, if the borrower or grantor brings in the same civil action a claim for violation of chapter 19.86 RCW, arising out of the same alleged facts, relief under chapter 19.86 RCW is limited to actual damages, treble damages as provided for in RCW 19.86.090, and the costs of suit, including a reasonable attorney's fee.

~~((4) {(3)})~~ (3) This section applies only to foreclosures of owner-occupied residential real property.

~~((5) {(4)})~~ (4) This section does not apply to the foreclosure of a deed of trust used to secure a commercial loan.

Sec. 3. RCW 61.24.005 and 2009 c 292 s 1 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) "Affiliate of beneficiary" means any entity which controls, is controlled by, or is under common control with a beneficiary.

(2) "Beneficiary" means the holder of the instrument or document evidencing the obligations secured by the deed of trust, excluding persons holding the same as security for a different obligation.

(3) "Borrower" means a person or a general partner in a partnership, including a joint venture, that is liable for all or part of the obligations secured by the deed of trust under the instrument or other document that is the principal evidence of such obligations, or the person's successors if they are liable for those obligations under a written agreement with the beneficiary.

(4) "Commercial loan" means a loan that is not made primarily for personal, family, or household purposes.

(5) "Fair value" means the value of the property encumbered by a deed of trust that is sold pursuant to a trustee's sale. This value shall be determined by the court or other appropriate adjudicator by reference to the most probable price, as of the date of the trustee's sale, which would be paid in cash or other immediately available funds, after deduction of prior liens and encumbrances with interest to the date of the trustee's sale, for which the property would sell on such date after reasonable exposure in the market under conditions requisite to a fair sale, with the buyer and seller each acting prudently, knowledgeably, and for self-interest, and assuming that neither is under duress.

(6) "Grantor" means a person, or its successors, who executes a deed of trust to encumber the person's interest in property as security for the performance of all or part of the borrower's obligations.

(7) "Guarantor" means any person and its successors who is not a borrower and who guarantees any of the obligations secured by a deed of trust in any written agreement other than the deed of trust.

(8) "Owner-occupied" means property that is the principal residence of the borrower.

(9) "Person" means any natural person, or legal or governmental entity.

(10) "Record" and "recorded" includes the appropriate registration proceedings, in the instance of registered land.

(11) "Residential real property" means property consisting solely of a single-family residence, a residential condominium unit, or a residential cooperative unit.

(12) "Senior beneficiary" means the beneficiary of a deed of trust that has priority over any other deeds of trust encumbering the same residential real property.

~~(13)~~ (13) "Tenant-occupied property" means property consisting solely of residential real property that is the principal residence of a tenant subject to chapter 59.18 RCW or other building with four or fewer residential units that is the principal residence of a tenant subject to chapter 59.18 RCW.

~~((13))~~ (14) "Trustee" means the person designated as the trustee in the deed of trust or appointed under RCW 61.24.010(2).

~~((14))~~ (15) "Trustee's sale" means a nonjudicial sale under a deed of trust undertaken pursuant to this chapter.

Passed by the Senate April 19, 2011.

Passed by the House April 5, 2011.

Approved by the Governor May 16, 2011.

Filed in Office of Secretary of State May 17, 2011.

CHAPTER 365

[Senate Bill 5628]

EMERGENCY MEDICAL SERVICES LEVY—EXEMPTION

AN ACT Relating to a limited property tax exemption from the emergency medical services levy; amending RCW 84.52.069; and creating new sections.

Be it enacted by the Legislature of the State of Washington:

NEW SECTION. Sec. 1. (1) The legislature finds that King county currently imposes an emergency medical services levy throughout the entire county. The legislature further finds that the city of Milton is located partially within King and Pierce counties and the residents of Milton within King county pay the county emergency medical services levy. The legislature further finds that King county, through an interlocal agreement with the city of Milton, has not provided emergency medical services to the city for many years and instead has remitted the county emergency medical services levy collected within the city back to the city. The legislature further finds that the city of Milton has collected only twenty cents per thousand dollars of assessed valuation under its city emergency medical services levy, and not the full fifty cents authorized by

the city's voters, because state law limits the city's levy, as well as any other taxing district's emergency medical services levy, if the county also imposes the tax. The legislature further finds that the city of Milton is exploring the possibility of being annexed by a fire protection district located in Pierce county; however, if the district annexes the entire city, including the portion in King county, the district would have to lower its emergency medical services levy as required under state law.

(2) It is the intent of the legislature to address this unusual situation by excluding the portion of the city of Milton within King county from the county emergency medical services levy. It is the further intent of the legislature to clarify that a fire protection district is able to levy the full amount of emergency medical services levy otherwise allowed by law throughout the entire city.

Sec. 2. RCW 84.52.069 and 2004 c 129 s 23 are each amended to read as follows:

(1) As used in this section, "taxing district" means a county, emergency medical service district, city or town, public hospital district, urban emergency medical service district, regional fire protection service authority, or fire protection district.

(2) Except as provided in subsection (10) of this section, a taxing district may impose additional regular property tax levies in an amount equal to fifty cents or less per thousand dollars of the assessed value of property in the taxing district. The tax shall be imposed (a) each year for six consecutive years, (b) each year for ten consecutive years, or (c) permanently. A tax levy under this section must be specifically authorized by a majority of at least three-fifths of the registered voters thereof approving a proposition authorizing the levies submitted at a general or special election, at which election the number of persons voting "yes" on the proposition shall constitute three-fifths of a number equal to forty percent of the total number of voters voting in such taxing district at the last preceding general election when the number of registered voters voting on the proposition does not exceed forty percent of the total number of voters voting in such taxing district in the last preceding general election; or by a majority of at least three-fifths of the registered voters thereof voting on the proposition when the number of registered voters voting on the proposition exceeds forty percent of the total number of voters voting in such taxing district in the last preceding general election. Ballot propositions ~~((shall))~~ must conform with RCW 29A.36.210. A taxing district ~~((shall))~~ may not submit to the voters at the same election multiple propositions to impose a levy under this section.

(3) A taxing district imposing a permanent levy under this section shall provide for separate accounting of expenditures of the revenues generated by the levy. The taxing district ~~((shall))~~ must maintain a statement of the accounting which ~~((shall))~~ must be updated at least every two years and ~~((shall))~~ must be available to the public upon request at no charge.

(4)(a) A taxing district imposing a permanent levy under this section ~~((shall))~~ must provide for a referendum procedure to apply to the ordinance or resolution imposing the tax. This referendum procedure ~~((shall))~~ must specify that a referendum petition may be filed at any time with a filing officer, as identified in the ordinance or resolution. Within ten days, the filing officer ~~((shall))~~ must confer with the petitioner concerning form and style of the petition, issue the petition an identification number, and secure an accurate,

concise, and positive ballot title from the designated local official. The petitioner (~~shall have~~) has thirty days in which to secure the signatures of not less than fifteen percent of the registered voters of the taxing district, as of the last general election, upon petition forms which contain the ballot title and the full text of the measure to be referred. The filing officer (~~shall~~) must verify the sufficiency of the signatures on the petition and, if sufficient valid signatures are properly submitted, (~~shall~~) must certify the referendum measure to the next election within the taxing district if one is to be held within one hundred eighty days from the date of filing of the referendum petition, or at a special election to be called for that purpose in accordance with RCW 29A.04.330.

(b) The referendum procedure provided in this subsection (~~shall be~~) (4) is exclusive in all instances for any taxing district imposing the tax under this section and (~~shall~~) supersedes the procedures provided under all other statutory or charter provisions for initiative or referendum which might otherwise apply.

(5) Any tax imposed under this section (~~shall~~) may be used only for the provision of emergency medical care or emergency medical services, including related personnel costs, training for such personnel, and related equipment, supplies, vehicles and structures needed for the provision of emergency medical care or emergency medical services.

(6) If a county levies a tax under this section, no taxing district within the county may levy a tax under this section. If a regional fire protection service authority imposes a tax under this section, no other taxing district that is a participating fire protection jurisdiction in the regional fire protection service authority may levy a tax under this section. No other taxing district may levy a tax under this section if another taxing district has levied a tax under this section within its boundaries: PROVIDED, That if a county levies less than fifty cents per thousand dollars of the assessed value of property, then any other taxing district may levy a tax under this section equal to the difference between the rate of the levy by the county and fifty cents: PROVIDED FURTHER, That if a taxing district within a county levies this tax, and the voters of the county subsequently approve a levying of this tax, then the amount of the taxing district levy within the county (~~shall~~) must be reduced, when the combined levies exceed fifty cents. Whenever a tax is levied countywide, the service (~~shall~~) must, insofar as is feasible, be provided throughout the county: PROVIDED FURTHER, That no countywide levy proposal may be placed on the ballot without the approval of the legislative authority of each city exceeding fifty thousand population within the county: AND PROVIDED FURTHER, That this section and RCW 36.32.480 shall not prohibit any city or town from levying an annual excess levy to fund emergency medical services: AND PROVIDED, FURTHER, That if a county proposes to impose tax levies under this section, no other ballot proposition authorizing tax levies under this section by another taxing district in the county may be placed before the voters at the same election at which the county ballot proposition is placed: AND PROVIDED FURTHER, That any taxing district emergency medical service levy that is limited in duration and that is authorized subsequent to a county emergency medical service levy that is limited in duration, (~~shall~~) expires concurrently with the county emergency medical service levy. A fire protection district that has annexed an area described in subsection (10) of this section may levy the

maximum amount of tax that would otherwise be allowed, notwithstanding any limitations in this subsection (6).

(7) The limitations in RCW 84.52.043 (~~shall~~) do not apply to the tax levy authorized in this section.

(8) If a ballot proposition approved under subsection (2) of this section did not impose the maximum allowable levy amount authorized for the taxing district under this section, any future increase up to the maximum allowable levy amount must be specifically authorized by the voters in accordance with subsection (2) of this section at a general or special election.

(9) The limitation in RCW 84.55.010 (~~shall~~) does not apply to the first levy imposed pursuant to this section following the approval of such levy by the voters pursuant to subsection (2) of this section.

(10) For purposes of imposing the tax authorized under this section, the boundary of a county with a population greater than one million five hundred thousand does not include all of the area of the county that is located within a city that has a boundary in two counties, if the locally assessed value of all the property in the area of the city within the county having a population greater than one million five hundred thousand is less than two hundred fifty million dollars.

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

(a) "Fire protection jurisdiction" means a fire protection district, city, town, Indian tribe, or port district; and

(b) "Participating fire protection jurisdiction" means a fire protection district, city, town, Indian tribe, or port district that is represented on the governing board of a regional fire protection service authority.

NEW SECTION. Sec. 3. This act applies to taxes levied for collection in 2012 and thereafter.

Passed by the Senate April 21, 2011.

Passed by the House April 7, 2011.

Approved by the Governor May 16, 2011.

Filed in Office of Secretary of State May 17, 2011.

CHAPTER 366

[Engrossed Substitute Senate Bill 5708]

LONG-TERM CARE SERVICES

AN ACT Relating to reshaping the delivery of long-term care services; amending RCW 18.20.020, 18.20.030, and 18.52.030; reenacting and amending RCW 70.127.040; adding a new section to chapter 18.20 RCW; adding a new section to chapter 74.42 RCW; and creating new sections.

Be it enacted by the Legislature of the State of Washington:

NEW SECTION. Sec. 1. The legislature has a long history of supporting seniors where they live whether it is at home or in a licensed care facility. It is widely recognized that the consumer of senior services and long-term care of tomorrow will have different demands and expectations for the type and manner of supportive and health care services that they receive. Cost efficiencies must and can be achieved within the health care system. Through the use of care coaches, technology-supported health and wellness programs, and by allowing

greater flexibility for the specialization and use of nursing facility beds, costly hospitalizations and rehospitalizations can be reduced and the entry to licensed care settings can be delayed.

Sec. 2. RCW 18.20.020 and 2006 c 242 s 1 are each amended to read as follows:

As used in this chapter:

(1) "Boarding home" means any home or other institution, however named, which is advertised, announced, or maintained for the express or implied purpose of providing housing, basic services, and assuming general responsibility for the safety and well-being of the residents, and may also provide domiciliary care, consistent with chapter 142, Laws of 2004, to seven or more residents after July 1, 2000. However, a boarding home that is licensed for three to six residents prior to or on July 1, 2000, may maintain its boarding home license as long as it is continually licensed as a boarding home. "Boarding home" shall not include facilities certified as group training homes pursuant to RCW 71A.22.040, nor any home, institution or section thereof which is otherwise licensed and regulated under the provisions of state law providing specifically for the licensing and regulation of such home, institution or section thereof. Nor shall it include any independent senior housing, independent living units in continuing care retirement communities, or other similar living situations including those subsidized by the department of housing and urban development.

(2) "Basic services" means housekeeping services, meals, nutritious snacks, laundry, and activities.

(3) "Person" means any individual, firm, partnership, corporation, company, association, or joint stock association, and the legal successor thereof.

(4) "Secretary" means the secretary of social and health services.

(5) "Department" means the state department of social and health services.

(6) "Resident's representative" means a person designated voluntarily by a competent resident, in writing, to act in the resident's behalf concerning the care and services provided by the boarding home and to receive information from the boarding home, if there is no legal representative. The resident's competence shall be determined using the criteria in RCW 11.88.010(1)(e). The resident's representative may not be affiliated with the licensee, boarding home, or management company, unless the affiliated person is a family member of the resident. The resident's representative shall not have authority to act on behalf of the resident once the resident is no longer competent.

(7) "Domiciliary care" means: Assistance with activities of daily living provided by the boarding home either directly or indirectly; or health support services, if provided directly or indirectly by the boarding home; or intermittent nursing services, if provided directly or indirectly by the boarding home.

(8) "General responsibility for the safety and well-being of the resident" means the provision of the following: Prescribed general low sodium diets; prescribed general diabetic diets; prescribed mechanical soft foods; emergency assistance; monitoring of the resident; arranging health care appointments with outside health care providers and reminding residents of such appointments as necessary; coordinating health care services with outside health care providers consistent with RCW 18.20.380; assisting the resident to obtain and maintain glasses, hearing aids, dentures, canes, crutches, walkers, wheelchairs, and

assistive communication devices; observation of the resident for changes in overall functioning; blood pressure checks as scheduled; responding appropriately when there are observable or reported changes in the resident's physical, mental, or emotional functioning; or medication assistance as permitted under RCW 69.41.085 and as defined in RCW 69.41.010.

(9) "Legal representative" means a person or persons identified in RCW 7.70.065 who may act on behalf of the resident pursuant to the scope of their legal authority. The legal representative shall not be affiliated with the licensee, boarding home, or management company, unless the affiliated person is a family member of the resident.

(10) "Nonresident individual" means a person who resides in independent senior housing, independent living units in continuing care retirement communities, or in other similar living environments or in an unlicensed room located within a boarding home ((and may receive)). Nothing in this chapter prohibits nonresidents from receiving one or more of the services listed in RCW 18.20.030(5) or requires licensure as a boarding home when one or more of the services listed in RCW 18.20.030(5) are provided to nonresidents. A nonresident individual may not receive domiciliary care, as defined in this chapter, directly or indirectly by the boarding home and may not receive the items and services listed in subsection (8) of this section, except during the time the person is receiving adult day services as defined in this section.

(11) "Resident" means an individual who is not related by blood or marriage to the operator of the boarding home, and by reason of age or disability, chooses to reside in the boarding home and receives basic services and one or more of the services listed under general responsibility for the safety and well-being of the resident and may receive domiciliary care or respite care provided directly or indirectly by the boarding home and shall be permitted to receive hospice care through an outside service provider when arranged by the resident or the resident's legal representative under RCW 18.20.380.

(12) "Resident applicant" means an individual who is seeking admission to a licensed boarding home and who has completed and signed an application for admission, or such application for admission has been completed and signed in their behalf by their legal representative if any, and if not, then the designated representative if any.

(13) "Adult day services" means care and services provided to a nonresident individual by the boarding home on the boarding home premises, for a period of time not to exceed ten continuous hours, and does not involve an overnight stay.

Sec. 3. RCW 18.20.030 and 2004 c 142 s 17 are each amended to read as follows:

(1) After January 1, 1958, no person shall operate or maintain a boarding home as defined in this chapter within this state without a license under this chapter.

(2) A boarding home license is not required for the housing, or services, that are customarily provided under landlord tenant agreements governed by the residential landlord-tenant act, chapter 59.18 RCW, or when housing nonresident individuals who ~~((, without ongoing assistance from the boarding home, initiate and arrange for services provided by persons other than))~~ chose to participate in programs or services under subsection (5) of this section, when offered by the boarding home licensee or the licensee's contractor. This subsection does not

prohibit the licensee from furnishing written information concerning available community resources to the nonresident individual or the individual's family members or legal representatives. The licensee may not require the use of any particular service provider.

(3) Residents receiving domiciliary care, directly or indirectly by the boarding home, are not considered nonresident individuals for the purposes of this section.

(4) A boarding home license is required when any person other than an outside service provider, under RCW 18.20.380, or family member:

(a) Assumes general responsibility for the safety and well-being of a resident;

(b) Provides assistance with activities of daily living, either directly or indirectly;

(c) Provides health support services, either directly or indirectly; or

(d) Provides intermittent nursing services, either directly or indirectly.

(5) A boarding home license is not required for one or more of the following services that may, upon the request of the nonresident, be provided to a nonresident individual: (a) Emergency assistance provided on an intermittent or nonroutine basis (~~to any nonresident individual~~); (b) systems, including technology-based monitoring devices, employed by independent senior housing, or independent living units in continuing care retirement communities, to respond to the potential need for emergency services (~~for nonresident individuals~~); (c) (~~infrequent, voluntary, and~~) scheduled and nonscheduled blood pressure checks (~~for nonresident individuals~~); (d) (~~nurse referral~~) nursing assessment services (~~provided at the request of a nonresident individual~~) to determine whether referral to an outside health care provider is recommended; (e) making and reminding the nonresident of health care appointments (~~at the request of nonresident individuals~~); (f) preadmission assessment (~~at the request of the nonresident individual~~) for the purposes of transitioning to a licensed care setting; (~~or~~) (g) medication assistance which may include reminding or coaching the nonresident, opening the nonresident's medication container, using an enabler, and handing prefilled insulin syringes to the nonresident; (h) falls risk assessment; (i) nutrition management and education services; (j) dental services; (k) wellness programs; (l) prefilling insulin syringes when performed by a nurse licensed under chapter 18.79 RCW; or (m) services customarily provided under landlord tenant agreements governed by the residential landlord-tenant act, chapter 59.18 RCW. (~~The preceding services may not include continual care or supervision of a nonresident individual without a boarding home license.~~)

NEW SECTION. Sec. 4. A new section is added to chapter 18.20 RCW to read as follows:

(1) A boarding home must provide each nonresident a disclosure statement upon admission and at the time that additional services are requested by a nonresident.

(2) The disclosure statement shall notify the nonresident that:

(a) The resident rights of chapter 70.129 RCW do not apply to nonresidents;

(b) Licensing requirements for boarding homes under this chapter do not apply to nonresident units; and

(c) The jurisdiction of the long-term care ombudsman does not apply to nonresidents and nonresident units.

Sec. 5. RCW 18.52.030 and 2000 c 93 s 6 are each amended to read as follows:

Nursing homes operating within this state shall be under the active, overall administrative charge and supervision of an on-site full-time administrator licensed as provided in this chapter. No person acting in any capacity, unless the holder of a nursing home administrator's license issued under this chapter, shall be charged with the overall responsibility to make decisions or direct actions involved in managing the internal operation of a nursing home, except as specifically delegated in writing by the administrator to identify a responsible person to act on the administrator's behalf when the administrator is absent. The administrator shall review the decisions upon the administrator's return and amend the decisions if necessary. The board shall define by rule the parameters for on-site full-time administrators in nursing homes with small resident populations (~~and~~), nursing homes in rural areas, nursing homes with small resident populations when the nursing home has converted some of its licensed nursing facility bed capacity for use as assisted living or enhanced assisted living services under chapter 74.39A RCW, or separately licensed facilities collocated on the same campus.

Sec. 6. RCW 70.127.040 and 2003 c 275 s 3 and 2003 c 140 s 8 are each reenacted and amended to read as follows:

The following are not subject to regulation for the purposes of this chapter:

- (1) A family member providing home health, hospice, or home care services;
- (2) A person who provides only meal services in an individual's permanent or temporary residence;
- (3) An individual providing home care through a direct agreement with a recipient of care in an individual's permanent or temporary residence;
- (4) A person furnishing or delivering home medical supplies or equipment that does not involve the provision of services beyond those necessary to deliver, set up, and monitor the proper functioning of the equipment and educate the user on its proper use;
- (5) A person who provides services through a contract with a licensed agency;
- (6) An employee or volunteer of a licensed agency who provides services only as an employee or volunteer;
- (7) Facilities and institutions, including but not limited to nursing homes under chapter 18.51 RCW, hospitals under chapter 70.41 RCW, adult family homes under chapter 70.128 RCW, boarding homes under chapter 18.20 RCW, developmental disability residential programs under chapter 71A.12 RCW, other entities licensed under chapter 71.12 RCW, or other licensed facilities and institutions, only when providing services to persons residing within the facility or institution;
- (8) Local and combined city-county health departments providing services under chapters 70.05 and 70.08 RCW;

(9) An individual providing care to ill individuals, ~~((disabled))~~ individuals with disabilities, or vulnerable individuals through a contract with the department of social and health services;

(10) Nursing homes, hospitals, or other institutions, agencies, organizations, or persons that contract with licensed home health, hospice, or home care agencies for the delivery of services;

(11) In-home assessments of an ill individual, ~~((disabled))~~ an individual with a disability, or a vulnerable individual that does not result in regular ongoing care at home;

(12) Services conducted by and for the adherents of a church or religious denomination that rely upon spiritual means alone through prayer for healing in accordance with the tenets and practices of such church or religious denomination and the bona fide religious beliefs genuinely held by such adherents;

(13) A medicare-approved dialysis center operating a medicare-approved home dialysis program;

(14) A person providing case management services. For the purposes of this subsection, "case management" means the assessment, coordination, authorization, planning, training, and monitoring of home health, hospice, and home care, and does not include the direct provision of care to an individual;

(15) Pharmacies licensed under RCW 18.64.043 that deliver prescription drugs and durable medical equipment that does not involve the use of professional services beyond those authorized to be performed by licensed pharmacists pursuant to chapter 18.64 RCW and those necessary to set up and monitor the proper functioning of the equipment and educate the person on its proper use;

(16) A volunteer hospice complying with the requirements of RCW 70.127.050; ~~((and))~~

(17) A person who provides home care services without compensation; and

(18) Nursing homes that provide telephone or web-based transitional care management services.

NEW SECTION. Sec. 7. A new section is added to chapter 74.42 RCW to read as follows:

(1) Nursing facilities may provide telephone or web-based transitional care management services to persons discharged from the facility to home for up to thirty days postdischarge.

(2) When a nursing facility provides transitional care management services, the facility must coordinate postdischarge care and service needs with in-home agencies licensed under chapter 70.127 RCW, and other authorized care providers, to promote evidence-based transition care planning. In-home service agencies and other authorized care providers, including the department, shall, when appropriate, determine resident eligibility for postdischarge care and services and coordinate with nursing facilities to plan a safe transition of the client to the home setting. When a resident is discharged to home and is without in-home care or services due to the resident's refusal of care or their ineligibility for care, the nursing facility may provide telephone or web-based transitional care management services. These services may include care coordination services, review of the discharge plan, instructions to promote compliance with the discharge plan, reminders or assistance with scheduling follow-up

appointments with other health care professionals consistent with the discharge plan, and promotion of self-management of the client's health condition. Web-based transition care services may include patient education and the provision of services described in this section. They are not intended to include telehealth monitoring.

(3) If the nursing facility identifies concerns in client care that result from telephone or web-based transitional care management services, the nursing facility will notify the client's primary care physician. The nursing facility will also discuss with the client options for care or other services which may include in-home services provided by agencies licensed under chapter 70.127 RCW.

NEW SECTION. Sec. 8. The department of social and health services shall convene a work group of stakeholders to discuss and identify one or more mechanisms to incentivize nursing facilities to close or to eliminate licensed beds from active service. The department shall adopt rules to implement the recommendations of the work group. By September 1, 2011, the department shall report to the governor and the legislature on the recommendations of the work group and the status of the department's rule-making efforts and any statutory impediments to the implementation of any of the recommendations.

NEW SECTION. Sec. 9. 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.

Passed by the Senate April 21, 2011.

Passed by the House April 11, 2011.

Approved by the Governor May 16, 2011.

Filed in Office of Secretary of State May 17, 2011.

CHAPTER 367

[Engrossed Substitute House Bill 1175]

TRANSPORTATION BUDGET

AN ACT Relating to transportation funding and appropriations; amending RCW 47.29.170, 46.63.170, 46.63.160, 43.19.642, 43.19.534, 47.01.380, 47.56.403, 43.105.330, 47.64.170, 47.64.270, 47.64.280, 46.68.170, 46.68.370, 47.12.244, 46.68.060, 46.68.220, 47.56.876, and 46.68.—; reenacting and amending RCW 46.18.060 and 47.28.030; amending 2010 c 247 ss 205, 207, 208, 209, 211, 212, 213, 214, 215, 216, 217, 218, 219, 220, 221, 222, 223, 224, 301, 302, 303, 304, 305, 307, 308, 401, 402, and 403 (uncodified); amending 2009 c 470 ss 301 and 305 (uncodified); amending 2010 c 283 s 19 (uncodified); amending 2010 1st sp.s. c 37 s 804 (uncodified); adding a new section to 2010 c 247 (uncodified); creating new sections; repealing 2010 c 161 s 1126; making appropriations and authorizing expenditures for capital improvements; providing an effective date; providing a contingent effective date; and declaring an emergency.

Be it enacted by the Legislature of the State of Washington:

2011-2013 FISCAL BIENNIUM

NEW SECTION. **Sec. 1.** (1) The transportation budget of the state is hereby adopted and, subject to the provisions set forth, the several amounts specified, or as much thereof as may be necessary to accomplish the purposes designated, are hereby appropriated from the several accounts and funds named to the designated state agencies and offices for employee compensation and other expenses, for capital projects, and for other specified purposes, including the payment of any final judgments arising out of such activities, for the period ending June 30, 2013.

(2) Unless the context clearly requires otherwise, the definitions in this subsection apply throughout this act.

(a) "Fiscal year 2012" or "FY 2012" means the fiscal year ending June 30, 2012.

(b) "Fiscal year 2013" or "FY 2013" means the fiscal year ending June 30, 2013.

(c) "FTE" means full-time equivalent.

(d) "Lapse" or "revert" means the amount shall return to an unappropriated status.

(e) "Provided solely" means the specified amount may be spent only for the specified purpose. Unless otherwise specifically authorized in this act, any portion of an amount provided solely for a specified purpose that is not expended subject to the specified conditions and limitations to fulfill the specified purpose shall lapse.

(f) "Reappropriation" means appropriation and, unless the context clearly provides otherwise, is subject to the relevant conditions and limitations applicable to appropriations.

(g) "LEAP" means the legislative evaluation and accountability program committee.

**2011-2013 FISCAL BIENNIUM
GENERAL GOVERNMENT AGENCIES—OPERATING**

NEW SECTION. **Sec. 101. FOR THE DEPARTMENT OF
ARCHAEOLOGY AND HISTORIC PRESERVATION**

Motor Vehicle Account—State Appropriation \$430,000

The appropriation in this section is subject to the following conditions and limitations: The entire appropriation is provided solely for staffing costs to be dedicated to state transportation activities. Staff hired to support transportation activities must have practical experience with complex construction projects.

NEW SECTION. **Sec. 102. FOR THE UTILITIES AND
TRANSPORTATION COMMISSION**

Grade Crossing Protective Account—State
Appropriation. \$504,000

*NEW SECTION. **Sec. 103. FOR THE OFFICE OF FINANCIAL
MANAGEMENT**

Motor Vehicle Account—State Appropriation \$2,216,000
Puget Sound Ferry Operations Account—State
Appropriation. \$4,624,000

TOTAL APPROPRIATION \$6,840,000

The appropriations in this section are subject to the following conditions and limitations:

(1) The office of financial management, in consultation with the transportation committees of the legislature, shall conduct a budget evaluation study for the new traffic management center proposed by the department of transportation. The study must consider data resulting from the plan identified in section 604 of this act. The budget evaluation study team approach using value engineering techniques must be utilized by the office of financial management in conducting the study. The office of financial management shall select the budget evaluation study team members, contract for the study, and report the results to the transportation committees of the legislature and the department of transportation in a timely manner following the study. Options reviewed must include use of existing facilities, including the Wheeler building data center in Olympia. Funds allocated for the new traffic management center must be used by the office of financial management through an interagency agreement with the department of transportation to cover the cost of the study.

(2) \$4,480,000 of the Puget Sound ferry operations account—state appropriation is provided solely for marine insurance. The appropriation is intended to fully fund a two-year policy, and the office of financial management shall increase the deductible to \$10,000,000 and reduce components of the policy in order to keep the total cost of the two-year policy at or below the appropriation in this subsection.

(3) The office of financial management shall review the department of transportation's predesign requirements for Washington state ferry vessel and terminal projects and modify the requirements such that the requirements continue to meet legal mandates without placing an undue burden on the department.

(4) The office of financial management shall provide to the transportation committees of the legislature, on a quarterly basis, a listing of all demands to bargain with respect to ferry labor relations and the issue that gave rise to the demand to bargain.

(5) \$840,000 of the motor vehicle account—state appropriation is provided out of funds set aside out of statewide fuel taxes distributed to counties according to RCW 46.68.120(3) solely for the office of financial management to contract with the Washington state association of counties to identify, evaluate, and implement performance measures associated with county transportation activities. The performance measures must include, at a minimum, those related to safety, system preservation, mobility, environmental protection, and project completion. A report on the county transportation performance implementation project must be provided to the transportation committees of the legislature by December 31, 2012.

(6) \$169,000 of the motor vehicle account—state appropriation is provided solely for the office of regulatory assistance integrated permitting project.

(7) \$40,000 of the Puget Sound ferry operations account—state appropriation is provided solely for the state's share of the marine salary survey.

(8) The office of financial management shall study the available data regarding statewide transit, bicycle, and pedestrian trips and recommend

additional performance measures that will effectively measure the state's performance in increasing transit ridership and bicycle and pedestrian trips. The office of financial management shall report its findings and recommendations to the transportation committees of the legislature by November 15, 2011, and integrate the new performance measures into the report prepared by the office of financial management pursuant to RCW 47.04.280 regarding progress towards achieving Washington state's transportation system policy goals.

*Sec. 103 was partially vetoed. See message at end of chapter.

NEW SECTION. Sec. 104. FOR THE STATE PARKS AND RECREATION COMMISSION

Motor Vehicle Account—State Appropriation \$986,000

The appropriation in this section is subject to the following conditions and limitations: The entire appropriation in this section is provided solely for road maintenance purposes.

NEW SECTION. Sec. 105. FOR THE DEPARTMENT OF AGRICULTURE

Motor Vehicle Account—State Appropriation \$1,210,000

The appropriation in this section is subject to the following conditions and limitations:

- (1) \$351,000 of the motor vehicle account—state appropriation is provided solely for costs associated with the motor fuel quality program.
- (2) \$686,000 of the motor vehicle account—state appropriation is provided solely to test the quality of biofuel. The department must test fuel quality at the biofuel manufacturer, distributor, and retailer.

NEW SECTION. Sec. 106. FOR THE LEGISLATIVE EVALUATION AND ACCOUNTABILITY PROGRAM COMMITTEE

Motor Vehicle Account—State Appropriation \$513,000

TRANSPORTATION AGENCIES—OPERATING

NEW SECTION. Sec. 201. FOR THE WASHINGTON TRAFFIC SAFETY COMMISSION

Highway Safety Account—State Appropriation	\$3,003,000
Highway Safety Account—Federal Appropriation	\$42,625,000
Highway Safety Account—Local Appropriation	\$50,000
School Zone Safety Account—State Appropriation	\$3,340,000
TOTAL APPROPRIATION	\$49,018,000

The appropriations in this section are subject to the following conditions and limitations:

- (1) \$1,673,900 of the highway safety account—federal appropriation is provided solely for the conclusion of the target zero trooper pilot program, which the commission has developed and implemented in collaboration with the Washington state patrol. The pilot program must continue to demonstrate the effectiveness of intense, high visibility, driving under the influence enforcement in Washington. The commission shall continue to apply to the national highway traffic safety administration for federal highway safety grants to cover the cost of the pilot program.

(2) The commission may oversee pilot projects implementing the use of automated traffic safety cameras to detect speed violations within cities west of the Cascade mountains that have a population over one hundred ninety-five thousand. For the purposes of pilot projects in this subsection, no more than one automated traffic safety camera may be used to detect speed violations within any one jurisdiction.

(a) The commission shall comply with RCW 46.63.170 in administering the pilot projects.

(b) In order to ensure adequate time in the 2011-2013 fiscal biennium to evaluate the effectiveness of the pilot projects, any projects authorized by the commission must be authorized by December 31, 2011.

(c) By January 1, 2013, the commission shall provide a report to the legislature regarding the use, public acceptance, outcomes, and other relevant issues regarding automated traffic safety cameras demonstrated by the pilot projects.

(3) \$460,000 of the highway safety account—state appropriation is provided solely for the implementation of chapter ... (Engrossed Second Substitute House Bill No. 1789), Laws of 2011 (addressing DUI accountability). If chapter ... (Engrossed Second Substitute House Bill No. 1789), Laws of 2011 is not enacted by June 30, 2011, the amount provided in this subsection lapses.

(4) The commission shall conduct a review of the literature on potential safety benefits realized from drivers using their headlights and windshield wipers simultaneously and shall report to the transportation committees of the legislature by December 1, 2011.

(5) \$22,000,000 of the highway safety account—federal appropriation is provided solely for federal funds that may be obligated to the commission pursuant to 23 U.S.C. Sec. 164 during the 2011-2013 fiscal biennium.

NEW SECTION. Sec. 202. FOR THE COUNTY ROAD ADMINISTRATION BOARD

Rural Arterial Trust Account—State Appropriation	\$948,000
Motor Vehicle Account—State Appropriation	\$2,161,000
County Arterial Preservation Account—State Appropriation	\$1,480,000
TOTAL APPROPRIATION	\$4,589,000

The appropriations in this section are subject to the following conditions and limitations: The county road administration board shall submit a report to the transportation committees of the legislature by December 1, 2011, on the implementation of the recommendations that resulted from the evaluation of efficiencies in the delivery of transportation funding and services to local governments that was required under section 204(8), chapter 247, Laws of 2010. The report must include a description of how recommendations were implemented, what efficiencies were achieved, and an explanation of any recommendations that were not implemented.

NEW SECTION. Sec. 203. FOR THE TRANSPORTATION IMPROVEMENT BOARD

Transportation Improvement Account—State Appropriation	\$3,707,000
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The appropriation in this section is subject to the following conditions and limitations: The transportation improvement board shall submit a report to the transportation committees of the legislature by December 1, 2011, on the implementation of the recommendations that resulted from the evaluation of efficiencies in the delivery of transportation funding and services to local governments that was required under section 204(8), chapter 247, Laws of 2010. The report must include a description of how recommendations were implemented, what efficiencies were achieved, and an explanation of any recommendations that were not implemented.

***NEW SECTION. Sec. 204. FOR THE JOINT TRANSPORTATION COMMITTEE**

Motor Vehicle Account—State Appropriation \$2,060,000

The appropriation in this section is subject to the following conditions and limitations:

(1) \$200,000 of the motor vehicle account—state appropriation is for a study of Washington state ferries fares that recommends the most appropriate fare media for use with the reservation system and the implementation of demand management pricing and interoperability with other payment methods. The study must include direct collaboration with transportation commission members.

(2) \$150,000 of the motor vehicle account—state appropriation is for a study of the management organization structure at the Washington state ferries. The study results must make recommendations on changes to a more organizational structure that will result in more efficient operations and a more balanced management organization structure scaled to the workforce.

(3) \$200,000 of the motor vehicle account—state appropriation is from the cities statewide fuel tax distributions under RCW 46.68.110(2) for the joint transportation committee to study and make recommendations on RCW 90.03.525. The study must include: (a) An inventory of state highways subject to the federal clean water act (40 C.F.R. Parts 122 through 124) (national pollutant discharge elimination system) that are within city boundaries; (b) a survey of cities that impose storm water fees or charges to the department of transportation, or otherwise manage storm water runoff from state highways within their jurisdiction; (c) case studies from a representative cross-section of cities on how the department and cities have used RCW 90.03.525; and (d) recommendations on how to achieve efficiencies in the cost and management of state highway storm water runoff within cities under RCW 90.03.525.

(4) \$425,000 of the motor vehicle account—state appropriation is for the joint transportation committee to conduct a study to evaluate the potential for financing state transportation projects using public-private partnerships. The study must compare the costs, advantages, and disadvantages of various forms of public-private partnerships with conventional financing. Projects to be evaluated include Interstate 405, state route number 509, state route number 167, the Columbia River crossing, and the Monroe bypass. At a minimum, the study must identify the public interest in the financing and construction of transportation projects, the public interest in the operation of transportation projects, and the provisions in public-private partnership agreements that best protect the public interest. To the extent possible, the study must identify the

lowest-cost and best-value model for each project that best protects the public interest. In addition, the study must evaluate whether public-private partnerships serve the defined public interest including, but not limited to, the advantage and disadvantage of risk allocation, the effects of private versus public financing on the state's bonding capacity, the state's ability to retain public ownership of the asset, the process that would allow for the most transparency during the negotiation of terms of a public-private partnership agreement, and the state's ability to oversee the private entity's management of the asset. The study must identify any barriers to the implementation of funding models that best protect the public interest, including statutory and constitutional barriers. The committee shall issue a report of its evaluation to the house of representatives and senate transportation committees by December 16, 2011.

(5) \$100,000 of the motor vehicle account—state appropriation is for an investigation of the use of liquid natural gas on existing Washington state ferry vessels as well as the 144-car class vessels and report to the legislature by December 31, 2011.

*Sec. 204 was partially vetoed. See message at end of chapter.

***NEW SECTION. Sec. 205. FOR THE TRANSPORTATION COMMISSION**

Motor Vehicle Account—State Appropriation	\$2,142,000
Multimodal Transportation Account—State Appropriation	\$112,000
TOTAL APPROPRIATION	\$2,254,000

The appropriations in this section are subject to the following conditions and limitations:

(1) Consistent with RCW 43.135.055, 47.60.290, and 47.60.315, during the 2011-2013 fiscal biennium, the legislature authorizes the transportation commission to periodically review and, if necessary, adjust the schedule of fares for the Washington state ferry system only in amounts not greater than those sufficient to generate the amount of revenue required by the biennial transportation budget. When adjusting ferry fares, the commission must consider input from affected ferry users by public hearing and by review with the affected ferry advisory committees, in addition to the data gathered from the current ferry user survey.

(2) Consistent with RCW 43.135.055 and 47.46.100, during the 2011-2013 fiscal biennium, the legislature authorizes the transportation commission to periodically review and, if necessary, adjust the schedule of toll charges applicable to the Tacoma Narrows bridge only in amounts not greater than those sufficient to support (a) any required costs for operating and maintaining the toll bridge, including the cost of insurance, (b) any amount required by law to meet the redemption of bonds and applicable interest payments, and (c) repayment of the motor vehicle fund.

(3) The total appropriation provided in this section includes funding to conduct a survey to gather data on users of the statewide transportation system, including the state ferry system, as required under chapter ... (Substitute Senate Bill No. 5128), Laws of 2011 (statewide transportation planning). However, if chapter ... (Substitute Senate Bill No. 5128), Laws of 2011 is not enacted by June 30, 2011, \$169,000 of the motor vehicle account—state appropriation lapses.

(4) Consistent with its authority in RCW 47.56.840, the transportation commission shall consider the need for a citizen advisory group that provides oversight on new tolled facilities.

*Sec. 205 was partially vetoed. See message at end of chapter.

NEW SECTION. Sec. 206. FOR THE FREIGHT MOBILITY STRATEGIC INVESTMENT BOARD

Motor Vehicle Account—State Appropriation \$702,000

The appropriation in this section is subject to the following conditions and limitations: The freight mobility strategic investment board shall submit a report to the transportation committees of the legislature by December 1, 2011, on the implementation of the recommendations that resulted from the evaluation of efficiencies in the delivery of transportation funding and services to local governments that was required under section 204(8), chapter 247, Laws of 2010. The report must include a description of how recommendations were implemented, what efficiencies were achieved, and an explanation of any recommendations that were not implemented.

NEW SECTION. Sec. 207. FOR THE WASHINGTON STATE PATROL

Vehicle Licensing Fraud Account—State Appropriation	\$100,000
State Patrol Highway Account—State	
Appropriation.	\$349,812,000
State Patrol Highway Account—Federal	
Appropriation.	\$10,903,000
State Patrol Highway Account—Private/Local	
Appropriation.	\$3,369,000
TOTAL APPROPRIATION	\$364,184,000

The appropriations in this section are subject to the following conditions and limitations:

(1) Washington state patrol officers engaged in off-duty uniformed employment providing traffic control services to the department of transportation or other state agencies may use state patrol vehicles for the purpose of that employment, subject to guidelines adopted by the chief of the Washington state patrol. The Washington state patrol must be reimbursed for the use of the vehicle at the prevailing state employee rate for mileage and hours of usage, subject to guidelines developed by the chief of the Washington state patrol. Cessna pilots funded from the state patrol highway account who are certified to fly the King Airs may pilot those aircraft for general fund purposes with the general fund reimbursing the state patrol highway account an hourly rate to cover the costs incurred during the flights since the aviation section is no longer part of the Washington state patrol cost allocation system as of July 1, 2009.

(2) The Washington state patrol shall continue to collaborate with the Washington traffic safety commission on the target zero trooper pilot program referenced in section 201(1) of this act.

(3) \$370,000 of the state patrol highway account—state appropriation is provided solely for costs associated with the pilot program described under section 216(5) of this act. The Washington state patrol may incur costs related

only to the assignment of cadets and necessary computer equipment and to the reimbursement of the Washington state department of transportation for contract costs. The appropriation in this subsection must be funded from the portion of the automated traffic safety camera fines deposited into the state patrol highway account; however, if the fines deposited into the state patrol highway account from automated traffic safety camera infractions do not reach three hundred seventy thousand dollars, the department of transportation shall remit funds necessary to the Washington state patrol to ensure the completion of the pilot program. The Washington state patrol may not incur overtime as a result of this pilot program. The Washington state patrol shall not assign troopers to operate or deploy the pilot program equipment used in the roadway construction zones.

(4) \$12,655,000 of the total appropriation is provided solely for automobile fuel in the 2011-2013 fiscal biennium. The Washington state patrol shall analyze their fuel consumption and submit a report to the legislative transportation committees by December 31, 2011, on fuel conservation methods that could be used to minimize costs and ensure that the Washington state patrol is managing fuel consumption effectively.

(5) \$7,421,000 of the total appropriation is provided solely for the purchase of pursuit vehicles.

(6) \$6,611,000 of the total appropriation is provided solely for vehicle repair and maintenance costs of vehicles used for highway purposes.

(7) \$1,724,000 of the total appropriation is provided solely for the purchase of mission vehicles used for highway purposes in the commercial vehicle and traffic investigation sections of the Washington state patrol.

(8) \$1,200,000 of the total appropriation is provided solely for outfitting officers. The Washington state patrol shall prepare a cost-benefit analysis of the standard trooper uniform as compared to a battle dress uniform and uniforms used by other states and jurisdictions. The Washington state patrol shall report the results of the analysis to the transportation committees of the legislature by December 1, 2011.

(9) The Washington state patrol shall not account for or record locally provided DUI cost reimbursement payments as expenditure credits to the state patrol highway account. The patrol shall report the amount of expected locally provided DUI cost reimbursements to the office of financial management and transportation committees of the legislature by September 30th of each year.

(10) During the 2011-2013 fiscal biennium, the Washington state patrol shall continue to perform traffic accident investigations on Thurston county roads, and shall work with Thurston county to transition the traffic accident investigations on Thurston county roads to Thurston county by July 1, 2013.

(11) \$100,000 of the vehicle licensing fraud account—state appropriation is provided solely to support the transportation portion of the vehicle license fraud program during the 2011-2013 fiscal biennium.

***NEW SECTION. Sec. 208. FOR THE DEPARTMENT OF LICENSING**

Marine Fuel Tax Refund Account—State Appropriation	\$32,000
Motorcycle Safety Education Account—State	
Appropriation	\$4,411,000
Wildlife Account—State Appropriation	\$859,000
Highway Safety Account—State Appropriation	\$149,904,000

Highway Safety Account—Federal Appropriation	\$2,884,000
Motor Vehicle Account—State Appropriation	\$78,586,000
Motor Vehicle Account—Private/Local Appropriation	\$1,721,000
Motor Vehicle Account—Federal Appropriation	\$242,000
Department of Licensing Services Account—State Appropriation.	\$5,815,000
Ignition Interlock Device Revolving Account—State Appropriation.	\$1,315,000
TOTAL APPROPRIATION	\$245,769,000

The appropriations in this section are subject to the following conditions and limitations:

(1) \$62,000 of the motor vehicle account—state appropriation is provided solely for the implementation of chapter ... (Engrossed Substitute Senate Bill No. 5251), Laws of 2011 (electric vehicle fee). If chapter ... (Engrossed Substitute Senate Bill No. 5251), Laws of 2011 is not enacted by June 30, 2011, the amount provided in this subsection lapses.

(2) \$231,000 of the motor vehicle account—state appropriation is provided solely for the implementation of chapter ... (Substitute Senate Bill No. 5800), Laws of 2011 (off-road motorcycles). If chapter ... (Substitute Senate Bill No. 5800), Laws of 2011 is not enacted by June 30, 2011, the amount provided in this subsection lapses.

(3) \$193,000 of the department of licensing services account—state appropriation is provided solely for a phased implementation of chapter ... (Substitute House Bill No. 1046), Laws of 2011 (vehicle and vessel quick titles). Funding is contingent upon revenues associated with the vehicle and vessel quick title program paying all direct and indirect expenditures associated with the department's implementation of this subsection. If chapter ... (Substitute House Bill No. 1046), Laws of 2011 is not enacted by June 30, 2011, the amount provided in this subsection lapses.

(4) The department may seek federal funds to implement a driver's license and identicard biometric matching system pilot program to verify the identity of applicants for, and holders of, drivers' licenses and identicards if applicants are provided the opportunity to opt out of participating in the program, which meets the requirement of RCW 46.20.037 that such a program be voluntary. If funds are received, the department shall report any benefits or problems identified during the course of the pilot program to the transportation committees of the legislature upon the completion of the program.

(5) \$1,938,000 of the highway safety account—federal appropriation is for federal funds that may be received during the 2011-2013 fiscal biennium. Upon receipt of the funds, the department shall provide a report on the use of the funds to the transportation committees of the legislature and the office of financial management.

(6) By December 31, 2011, the department shall submit to the office of financial management and the transportation committees of the legislature draft legislation that rewrites the tow truck statutes (chapter 46.55 RCW) in plain language and is revenue and policy neutral.

(7) \$128,000 of the highway safety account—state appropriation is provided solely for the implementation of chapter ... (Engrossed Substitute House Bill No.

1635), Laws of 2011 (driver's license exams). If chapter ... (Engrossed Substitute House Bill No. 1635), Laws of 2011 is not enacted by June 30, 2011, the amount provided in this subsection lapses.

(8) \$68,000 of the highway safety account—state appropriation is provided solely for the implementation of chapter ... (Engrossed Second Substitute House Bill No. 1789), Laws of 2011 (driving under the influence). If chapter ... (Engrossed Second Substitute House Bill No. 1789), Laws of 2011 is not enacted by June 30, 2011, the amount provided in this subsection lapses.

(9) \$63,000 of the highway safety account—state appropriation is provided solely for the implementation of chapter ... (Substitute House Bill No. 1237), Laws of 2011 (selective service system). If chapter ... (Substitute House Bill No. 1237), Laws of 2011 is not enacted by June 30, 2011, the amount provided in this subsection lapses.

(10) \$340,000 of the motor vehicle account—private/local appropriation is provided solely for the implementation of chapter ... (Engrossed Substitute Senate Bill No. 5457), Laws of 2011 (congestion reduction charge). If chapter ... (Engrossed Substitute Senate Bill No. 5457), Laws of 2011 is not enacted by June 30, 2011, the amount provided in this subsection lapses.

(11) \$648,000 of the motor vehicle account—federal appropriation is provided solely for the implementation of chapter ... (House Bill No. 1229), Laws of 2011 (commercial drivers' licenses). If chapter ... (House Bill No. 1229), Laws of 2011 is not enacted by June 30, 2011, the amount provided in this subsection lapses.

(12) \$1,738,000 of the department of licensing services account—state appropriation is provided solely for purchasing equipment for field licensing service offices and subagent offices.

*Sec. 208 was partially vetoed. See message at end of chapter.

NEW SECTION. Sec. 209. FOR THE DEPARTMENT OF TRANSPORTATION—TOLL OPERATIONS AND MAINTENANCE—PROGRAM B

High Occupancy Toll Lanes Operations Account—State	
Appropriation.	\$1,295,000
Motor Vehicle Account—State Appropriation	\$550,000
Tacoma Narrows Toll Bridge Account—State	
Appropriation.	\$23,429,000
State Route Number 520 Corridor Account—State	
Appropriation.	\$27,295,000
State Route Number 520 Civil Penalties	
Account—State Appropriation	\$4,622,000
TOTAL APPROPRIATION	\$57,191,000

The appropriations in this section are subject to the following conditions and limitations:

(1) The department shall make detailed quarterly expenditure reports available to the transportation commission and to the public on the department's web site using current department resources. The reports must include a summary of toll revenue by facility on all operating toll facilities and high occupancy toll lane systems, and an itemized depiction of the use of that revenue.

(2) \$4,622,000 of the state route number 520 civil penalties account—state appropriation and \$1,458,000 of the Tacoma Narrows toll bridge account—state appropriation are provided solely for expenditures related to the toll adjudication process. The department shall report quarterly on the civil penalty process to the office of financial management and the house of representatives and senate transportation committees beginning September 30, 2011. The reports must include a summary table for each toll facility that includes: The number of notices of civil penalty issued; the number of recipients who pay before the notice becomes a penalty; the number of recipients who request a hearing and the number who do not respond; workload costs related to hearings; the cost and effectiveness of debt collection activities; and revenues generated from notices of civil penalty.

(3) It is the intent of the legislature that transitioning to a statewide tolling operations center and preparing for all-electronic tolling on certain toll facilities will have no adverse revenue or expenditure impact on the Tacoma Narrows toll bridge account. Any increased costs related to this transition shall not be allocated to the Tacoma Narrows toll bridge account. All costs associated with the toll adjudication process are anticipated to be covered by revenue collected from the toll adjudication process.

(4) The department shall ensure that, at no cost to the Tacoma Narrows toll bridge account, new electronic tolling tag readers are installed on the Tacoma Narrows bridge as soon as practicable that are able to read existing and new electronic tolling tags.

(5) \$17,786,000 of the state route number 520 corridor account—state appropriation is provided solely for nonvendor costs associated with tolling the state route number 520 bridge. Funds from the state route number 520 corridor account—state appropriation shall not be used to pay for items prohibited by Executive Order No. 1057, including subscriptions to technical publications, employee educational expenses, professional membership dues and fees, employee recognition and safety awards, meeting meals and light refreshments, commute trip reduction incentives, and employee travel.

***NEW SECTION. Sec. 210. FOR THE DEPARTMENT OF TRANSPORTATION—INFORMATION TECHNOLOGY—PROGRAM C**

Motor Vehicle Account—State Appropriation	\$69,107,000
Transportation Partnership Account—State Appropriation.	\$1,460,000
Multimodal Transportation Account—State Appropriation.	\$363,000
Transportation 2003 Account (Nickel Account)—State Appropriation.	\$1,460,000
TOTAL APPROPRIATION	\$72,390,000

The appropriations in this section are subject to the following conditions and limitations:

(1) The department shall consult with the office of financial management and the department of information services to: (a) Ensure that the department's current and future system development is consistent with the overall direction of other key state systems; and (b) when possible, use or develop common

statewide information systems to encourage coordination and integration of information used by the department and other state agencies and to avoid duplication.

(2) \$1,460,000 of the transportation partnership account—state appropriation and \$1,460,000 of the transportation 2003 account (nickel account)—state appropriation are provided solely for maintaining the department's project management reporting system.

(3) \$210,000 of the motor vehicle account—state appropriation is provided solely for the department's compliance with its national pollution discharge elimination system permit.

(4) Beginning December 1, 2011, and on a quarterly basis thereafter, the department shall report to the office of financial management and the transportation committees of the legislature on the status of the development and integration of the time, leave, and labor distribution system identified in section 601 of this act. The first report must include a detailed work plan for the development and integration of the system, including timelines and budget milestones. At a minimum, the ensuing reports must indicate the status of the work as it compares to the work plan, any discrepancies, and proposed adjustments necessary to bring the project back on schedule or budget if necessary. It is the intent of the legislature that the state auditor will provide advice based on the auditor's technical knowledge and expertise in the implementation and acquisition of the time, leave, and labor distribution system. It is further the intent of the legislature that if any portion of the system is leveraged in the future for the time, leave, and labor distribution of any other agencies, the motor vehicle account will be reimbursed proportionally for the development of the system since the funds from the motor vehicle account must be used exclusively for highway purposes in conformance with Article II, section 40 of the state Constitution. This must be accomplished through a loan arrangement with the current interest rate under the terms set by the office of the state treasurer at the time the system is deployed to additional agencies. If the motor vehicle account is not reimbursed for future use of the system, it is the intent of the legislature that reductions will be made to central service agency charges accordingly.

(5) \$502,000 of the motor vehicle account—state appropriation is provided solely to provide support for the transportation executive information system.

(6) If chapter ... (Substitute House Bill No. 1720), Laws of 2011 (department of enterprise services) is enacted, the department shall work with the department of enterprise services to:

(a) Make enhancements to the 511 traveler information system to provide a more timely and user friendly format; and

(b) Develop or purchase software that would allow public transportation users to enter in their start and end locations using a computer or mobile device to determine the public transportation options available to them.

*Sec. 210 was partially vetoed. See message at end of chapter.

NEW SECTION. Sec. 211. FOR THE DEPARTMENT OF TRANSPORTATION—FACILITY MAINTENANCE, OPERATIONS AND CONSTRUCTION—PROGRAM D—OPERATING

Motor Vehicle Account—State Appropriation \$25,851,000

The appropriation in this section is subject to the following conditions and limitations:

(1) The department shall submit a predesign proposal for a new traffic management center to the office of financial management consistent with the process followed by nontransportation capital construction projects. The department shall not award a contract for construction of a new traffic management center until the predesign proposal has been submitted and the office of financial management has completed a budget evaluation study that indicates a new building is the recommended option for accommodating additional traffic management operations.

(2) \$850,000 of the motor vehicle account—state appropriation is provided solely for the department's compliance with its national pollution discharge elimination system permit.

NEW SECTION. Sec. 212. FOR THE DEPARTMENT OF TRANSPORTATION—AVIATION—PROGRAM F

Aeronautics Account—State Appropriation	\$6,066,000
Aeronautics Account—Federal Appropriation	\$2,150,000
TOTAL APPROPRIATION	\$8,216,000

The appropriations in this section are subject to the following conditions and limitations: \$200,000 of the aeronautics account—state appropriation is a reapportionment provided solely to complete runway preservation projects.

NEW SECTION. Sec. 213. FOR THE DEPARTMENT OF TRANSPORTATION—PROGRAM DELIVERY MANAGEMENT AND SUPPORT—PROGRAM H

Motor Vehicle Account—State Appropriation	\$47,418,000
Motor Vehicle Account—Federal Appropriation	\$500,000
Multimodal Transportation Account—State Appropriation	\$250,000
TOTAL APPROPRIATION	\$48,168,000

The appropriations in this section are subject to the following conditions and limitations:

(1) The department shall provide updated information on six project milestones for all active projects, funded in part or in whole with 2005 transportation partnership account funds or 2003 nickel account funds, on a quarterly basis in the transportation executive information system. The department shall also provide updated information on six project milestones for projects funded with preexisting funds and that are agreed to by the legislature, office of financial management, and the department, on a quarterly basis.

(2) \$3,754,000 of the motor vehicle account—state appropriation is provided solely for the department's compliance with its national pollution discharge elimination system permit.

(3) It is the intent of the legislature that the real estate services division of the department will recover the cost of its efforts from future sale proceeds.

(4) The legislature recognizes that the Dryden pit site (WSDOT Inventory Control (IC) No. 2-04-00103) is unused state-owned real property under the jurisdiction of the department of transportation, and that the public would benefit significantly from the complete enjoyment of the natural scenic beauty and

recreational opportunities available at the site. Therefore, pursuant to RCW 47.12.080, the legislature declares that transferring the property to the department of fish and wildlife for recreational use and fish and wildlife restoration efforts is consistent with the public interest in order to preserve the area for the use of the public and the betterment of the natural environment. The department of transportation shall work with the department of fish and wildlife, and shall transfer and convey the Dryden pit site to the department of fish and wildlife as is for an adjusted fair market value reflecting site conditions, the proceeds of which must be deposited in the motor vehicle fund. The department of transportation is not responsible for any costs associated with the cleanup or transfer of this property. By July 1, 2011, and annually thereafter until the entire Dryden pit property has been transferred, the department shall submit a status report regarding the transaction to the chairs of the legislative transportation committees.

NEW SECTION. Sec. 214. FOR THE DEPARTMENT OF TRANSPORTATION—ECONOMIC PARTNERSHIPS—PROGRAM K

Motor Vehicle Account—State Appropriation	\$622,000
Multimodal Transportation Account—State Appropriation	\$110,000
TOTAL APPROPRIATION	\$732,000

The appropriations in this section are subject to the following conditions and limitations: The department shall conduct a study on the potential to generate revenue from off-premise outdoor advertising signs that are erected or maintained adjacent and visible to the interstate system highways, primary system highways, or scenic system highways. The study must provide an evaluation of the market for outdoor advertising signs, including an evaluation of the number of potential advertisers and the amount charged by other jurisdictions for sign permits, and must provide a recommendation for a revised fee structure that recognizes the market value for off-premise signs and considers charging differential fees based on the size, type, and location of the sign.

NEW SECTION. Sec. 215. FOR THE DEPARTMENT OF TRANSPORTATION—HIGHWAY MAINTENANCE—PROGRAM M

Motor Vehicle Account—State Appropriation	\$380,327,000
Motor Vehicle Account—Federal Appropriation	\$7,000,000
TOTAL APPROPRIATION	\$387,327,000

The appropriations in this section are subject to the following conditions and limitations:

(1) The department shall request an unanticipated receipt for any federal moneys received for emergency snow and ice removal and shall place an equal amount of the motor vehicle account—state appropriation into unallotted status. This exchange shall not affect the amount of funding available for snow and ice removal.

(2) \$7,000,000 of the motor vehicle account—state appropriation is provided solely for third-party damages to the highway system where the responsible party is known and reimbursement is anticipated. The department shall request additional appropriation authority for any funds received for reimbursements of third-party damages that are in excess of this appropriation.

(3) \$7,000,000 of the motor vehicle account—federal appropriation is for unanticipated federal funds that may be received during the 2011-2013 fiscal biennium. Upon receipt of the funds, the department shall provide a report on the use of the funds to the transportation committees of the legislature and the office of financial management.

(4) The department may work with the department of corrections to utilize corrections crews for the purposes of litter pickup on state highways.

(5) \$4,530,000 of the motor vehicle account—state appropriation is provided solely for the department's compliance with its national pollution discharge elimination system permit.

(6) The department shall continue to report maintenance accountability process (MAP) targets and achievements on an annual basis. The department shall use available funding to target and deliver a minimum MAP grade of C for the activity of roadway striping.

(7) \$6,884,000 of the motor vehicle account—state appropriation is provided solely for the high priority maintenance backlog. Addressing the maintenance backlog must result in increased levels of service. If chapter . . . (Engrossed Substitute Senate Bill No. 5251), Laws of 2011 (electric vehicle fee) is not enacted by June 30, 2011, \$500,000 of the appropriation provided in this subsection lapses.

(8) \$317,000 of the motor vehicle account—state appropriation is provided solely for maintaining a new active traffic management system on Interstate 5, Interstate 90, and state route number 520. The department shall track the costs associated with these systems on a corridor basis and report to the transportation committees of the legislature on the costs and benefits of the systems by December 1, 2011.

NEW SECTION. Sec. 216. FOR THE DEPARTMENT OF TRANSPORTATION—TRAFFIC OPERATIONS—PROGRAM Q—OPERATING

Motor Vehicle Account—State Appropriation	\$50,166,000
Motor Vehicle Account—Federal Appropriation	\$2,050,000
Motor Vehicle Account—Private/Local Appropriation	\$127,000
TOTAL APPROPRIATION	\$52,343,000

The appropriations in this section are subject to the following conditions and limitations:

(1) \$6,000,000 of the motor vehicle account—state appropriation is provided solely for low-cost enhancements. The department shall give priority to low-cost enhancement projects that improve safety or provide congestion relief. The department shall prioritize low-cost enhancement projects on a statewide rather than regional basis. By September 1st of each even-numbered year, the department shall provide a report to the legislature listing all low-cost enhancement projects prioritized on a statewide rather than regional basis completed in the prior year.

(2) \$145,000 of the motor vehicle account—state appropriation is provided solely for the department to continue a pilot tow truck incentive program and to expand the program to other areas of the state. The department may provide incentive payments to towing companies that meet clearance goals on accidents that involve heavy trucks.

(3) During the 2011-2013 fiscal biennium, the department shall implement a pilot program that expands private transportation providers' access to high occupancy vehicle lanes. Under the pilot program, when the department reserves a portion of a highway based on the number of passengers in a vehicle, the following vehicles must be authorized to use the reserved portion of the highway if the vehicle has the capacity to carry eight or more passengers, regardless of the number of passengers in the vehicle: (a) Auto transportation company vehicles regulated under chapter 81.68 RCW; (b) passenger charter carrier vehicles regulated under chapter 81.70 RCW, except marked or unmarked stretch limousines and stretch sport utility vehicles as defined under department of licensing rules; (c) private nonprofit transportation provider vehicles regulated under chapter 81.66 RCW; and (d) private employer transportation service vehicles. For purposes of this subsection, "private employer transportation service" means regularly scheduled, fixed-route transportation service that is offered by an employer for the benefit of its employees. By June 30, 2013, the department shall report to the transportation committees of the legislature on whether private transportation provider use of high occupancy vehicle lanes under the pilot program reduces the speeds of high occupancy vehicle lanes. Nothing in this subsection is intended to authorize the conversion of public infrastructure to private, for-profit purposes or to otherwise create an entitlement or other claim by private users to public infrastructure. If chapter ... (Substitute Senate Bill No. 5836), Laws of 2011 is enacted by June 30, 2011, this subsection is null and void.

(4) \$9,000,000 of the motor vehicle account—state appropriation is provided solely for the department's incident response program.

(5) The department, in consultation with the Washington state patrol, must continue a pilot program for the patrol to issue infractions based on information from automated traffic safety cameras in roadway construction zones on state highways. The department must report to the joint transportation committee by January 1, 2012, and January 1, 2013, on the status of this pilot program. For the purpose of this pilot program, during the 2011-2013 fiscal biennium, a roadway construction zone includes areas where public employees or private contractors may be present or where a driving condition exists that would make it unsafe to drive at higher speeds, such as, when the department is redirecting or realigning lanes on any public roadway pursuant to ongoing construction. The department shall use the following guidelines to administer the program:

(a) Automated traffic safety cameras may only take pictures of the vehicle and vehicle license plate and only while an infraction is occurring. The picture must not reveal the face of the driver or of passengers in the vehicle;

(b) The department shall plainly mark the locations where the automated traffic safety cameras are used by placing signs on locations that clearly indicate to a driver that he or she is entering a roadway construction zone where traffic laws are enforced by an automated traffic safety camera;

(c) Notices of infractions must be mailed to the registered owner of a vehicle within fourteen days of the infraction occurring;

(d) The owner of the vehicle is not responsible for the violation if the owner of the vehicle, within fourteen days of receiving notification of the violation, mails to the patrol, a declaration under penalty of perjury, stating that the vehicle

involved was, at the time, stolen or in the care, custody, or control of some person other than the registered owner, or any other extenuating circumstances;

(e) For purposes of the 2011-2013 fiscal biennium pilot program, infractions detected through the use of automated traffic safety cameras are not part of the registered owner's driving record under RCW 46.52.101 and 46.52.120. Additionally, infractions generated by the use of automated traffic safety cameras must be processed in the same manner as parking infractions for the purposes of RCW 3.50.100, 35.20.220, 46.16A.120, and 46.20.270(3). However, the amount of the fine issued under this subsection (5) for an infraction generated through the use of an automated traffic safety camera is one hundred thirty-seven dollars. The court shall remit thirty-two dollars of the fine to the state treasurer for deposit into the state patrol highway account; and

(f) If a notice of infraction is sent to the registered owner and the registered owner is a rental car business, the infraction must be dismissed against the business if it mails to the patrol, within fourteen days of receiving the notice, a declaration under penalty of perjury of the name and known mailing address of the individual driving or renting the vehicle when the infraction occurred. If the business is unable to determine who was driving or renting the vehicle at the time the infraction occurred, the business must sign a declaration under penalty of perjury to this effect. The declaration must be mailed to the patrol within fourteen days of receiving the notice of traffic infraction. Timely mailing of this declaration to the issuing agency relieves a rental car business of any liability under this section for the notice of infraction. A declaration form suitable for this purpose must be included with each automated traffic infraction notice issued, along with instructions for its completion and use.

(6) The department shall track the costs associated with active traffic management systems on a corridor basis and report to the transportation committees of the legislature on the cost and benefits of the systems by December 1, 2011.

NEW SECTION. Sec. 217. FOR THE DEPARTMENT OF TRANSPORTATION—TRANSPORTATION MANAGEMENT AND SUPPORT—PROGRAM S

Motor Vehicle Account—State Appropriation	\$28,430,000
Motor Vehicle Account—Federal Appropriation	\$30,000
Multimodal Transportation Account—State Appropriation	\$973,000
TOTAL APPROPRIATION	\$29,433,000

The appropriations in this section are subject to the following conditions and limitations: The department shall utilize existing resources and customer service staff to develop and implement new policies and procedures to ensure compliance with new federal passenger vessel Americans with disabilities act requirements.

NEW SECTION. Sec. 218. FOR THE DEPARTMENT OF TRANSPORTATION—TRANSPORTATION PLANNING, DATA, AND RESEARCH—PROGRAM T

Motor Vehicle Account—State Appropriation	\$23,394,000
Motor Vehicle Account—Federal Appropriation	\$21,885,000

Multimodal Transportation Account—State	
Appropriation	\$662,000
Multimodal Transportation Account—Federal	
Appropriation	\$3,559,000
Multimodal Transportation Account—Private/Local	
Appropriation	\$100,000
TOTAL APPROPRIATION	\$49,600,000

The appropriations in this section are subject to the following conditions and limitations:

(1) \$70,000 of the motor vehicle account—state appropriation is a reappropriation provided solely for a corridor study of state route number 516 from the eastern border of Maple Valley to state route number 167 to determine whether improvements are needed and the costs of any needed improvements.

(2) \$200,000 of the motor vehicle account—state appropriation is provided solely for extending the freight database pilot project that began in 2009. Global positioning system (GPS) data is intended to help guide freight investment decisions and track highway project effectiveness as it relates to freight traffic.

(3) Within available resources, the department must collaborate with the affected metropolitan planning organizations, regional transportation planning organizations, transit agencies, and private transportation providers to develop a plan to reduce vehicle demand, increase public transportation options, and reduce vehicle miles traveled on corridors affected by growth at Joint Base Lewis-McChord.

(4) As part of their ongoing regional transportation planning, the regional transportation planning organizations across the state shall work together to provide a comprehensive framework for sources and uses of next-stage investments in transportation needed to improve structural conditions and ongoing operations and lay the groundwork for the transportation systems to support the long-term economic vitality of the state. This planning must include all forms of transportation to reflect the state's interests, including: Highways, streets, and roads; ferries; public transportation; systems for freight; and walking and biking systems. The department shall support this planning by providing information on potential state transportation uses and an analysis of potential sources of revenue to implement investments. In carrying out this planning, regional transportation planning organizations must be broadly inclusive of business, civic, labor, governmental, and environmental interests in regional communities across the state.

NEW SECTION. Sec. 219. FOR THE DEPARTMENT OF TRANSPORTATION—CHARGES FROM OTHER AGENCIES—PROGRAM U

Motor Vehicle Account—State Appropriation	\$85,209,000
Motor Vehicle Account—Federal Appropriation	\$400,000
Multimodal Transportation Account—State	
Appropriation	\$3,320,000
TOTAL APPROPRIATION	\$88,929,000

The appropriations in this section are subject to the following conditions and limitations:

(1) The office of financial management must provide a detailed accounting of the revenues and expenditures of the self-insurance fund to the transportation committees of the legislature on December 31st and June 30th of each year.

(2) Payments in this section represent charges from other state agencies to the department of transportation.

(a) FOR PAYMENT OF OFFICE OF FINANCIAL MANAGEMENT DIVISION OF RISK MANAGEMENT FEES	\$1,639,000
(b) FOR PAYMENT OF COSTS OF THE OFFICE OF THE STATE AUDITOR	\$937,000
(c) FOR PAYMENT OF COSTS OF THE DEPARTMENT OF GENERAL ADMINISTRATION.....	\$6,060,000
(d) FOR PAYMENT OF COSTS OF THE DEPARTMENT OF PERSONNEL	\$6,347,000
(e) FOR PAYMENT OF SELF-INSURANCE LIABILITY PREMIUMS AND ADMINISTRATION.....	\$44,418,000
(f) FOR ARCHIVES AND RECORDS MANAGEMENT.....	\$623,000
(g) FOR OFFICE OF MINORITIES AND WOMEN BUSINESS ENTERPRISES	\$1,008,000
(h) FOR USE OF FINANCIAL AND REPORTING SYSTEMS PROVIDED BY THE OFFICE OF FINANCIAL MANAGEMENT	\$1,143,000
(i) FOR POLICY AND SYSTEM ASSISTANCE FROM THE DEPARTMENT OF INFORMATION SERVICES	\$1,980,000
(j) FOR LEGAL SERVICE PROVIDED BY THE ATTORNEY GENERAL'S OFFICE	\$8,526,000
(k) FOR LEGAL SERVICE PROVIDED BY THE ATTORNEY GENERAL'S OFFICE FOR THE SECOND PHASE OF THE BOLDT LITIGATION	\$672,000

**NEW SECTION. Sec. 220. FOR THE DEPARTMENT OF
TRANSPORTATION—PUBLIC TRANSPORTATION—PROGRAM V**

State Vehicle Parking Account—State Appropriation	\$452,000
Regional Mobility Grant Program Account—State Appropriation.....	\$48,942,000
Multimodal Transportation Account—State Appropriation.....	\$41,706,000
Multimodal Transportation Account—Federal Appropriation.....	\$2,582,000
Multimodal Transportation Account—Private/Local Appropriation.....	\$1,027,000
Rural Mobility Grant Program Account—State Appropriation.....	\$17,000,000
TOTAL APPROPRIATION	\$111,709,000

The appropriations in this section are subject to the following conditions and limitations:

(1) \$25,000,000 of the multimodal transportation account—state appropriation is provided solely for a grant program for special needs transportation provided by transit agencies and nonprofit providers of transportation.

(a) \$5,500,000 of the amount provided in this subsection is provided solely for grants to nonprofit providers of special needs transportation. Grants for nonprofit providers must be based on need, including the availability of other providers of service in the area, efforts to coordinate trips among providers and riders, and the cost effectiveness of trips provided.

(b) \$19,500,000 of the amount provided in this subsection is provided solely for grants to transit agencies to transport persons with special transportation needs. To receive a grant, the transit agency must have a maintenance of effort for special needs transportation that is no less than the previous year's maintenance of effort for special needs transportation. Grants for transit agencies must be prorated based on the amount expended for demand response service and route deviated service in calendar year 2009 as reported in the "Summary of Public Transportation - 2009" published by the department of transportation. No transit agency may receive more than thirty percent of these distributions.

(2) Funds are provided for the rural mobility grant program as follows:

(a) \$8,500,000 of the rural mobility grant program account—state appropriation is provided solely for grants for those transit systems serving small cities and rural areas as identified in the "Summary of Public Transportation - 2009" published by the department of transportation. Noncompetitive grants must be distributed to the transit systems serving small cities and rural areas in a manner similar to past disparity equalization programs. If the funding provided in this subsection (2)(a) exceeds the amount required for recipient counties to reach eighty percent of the average per capita sales tax, funds in excess of that amount may be used for the competitive grant process established in (b) of this subsection.

(b) \$8,500,000 of the rural mobility grant program account—state appropriation is provided solely to providers of rural mobility service in areas not served or underserved by transit agencies through a competitive grant process.

(3)(a) \$6,000,000 of the multimodal transportation account—state appropriation is provided solely for a vanpool grant program for: (a) Public transit agencies to add vanpools or replace vans; and (b) incentives for employers to increase employee vanpool use. The grant program for public transit agencies will cover capital costs only; operating costs for public transit agencies are not eligible for funding under this grant program. Additional employees may not be hired from the funds provided in this section for the vanpool grant program, and supplanting of transit funds currently funding vanpools is not allowed. The department shall encourage grant applicants and recipients to leverage funds other than state funds.

(b) At least \$1,600,000 of the amount provided in this subsection must be used for vanpool grants in congested corridors.

(c) \$520,000 of the amount provided in this subsection is provided solely for the purchase of additional vans for use by vanpools serving soldiers and civilian employees at Joint Base Lewis-McChord.

(4) \$8,942,000 of the regional mobility grant program account—state appropriation is reappropriated and provided solely for the regional mobility grant projects identified in LEAP Transportation Document 2007-B, as developed April 20, 2007, or LEAP Transportation Document 2009-B, as

developed April 24, 2009. The department shall continue to review all projects receiving grant awards under this program at least semiannually to determine whether the projects are making satisfactory progress. The department shall promptly close out grants when projects have been completed, and any remaining funds must be used only to fund projects identified in: LEAP Transportation Document 2007-B, as developed April 20, 2007; LEAP Transportation Document 2009-B, as developed April 24, 2009; or LEAP Transportation Document 2011-B, as developed April 19, 2011. It is the intent of the legislature to appropriate funds through the regional mobility grant program only for projects that will be completed on schedule and that all funds in the regional mobility grant program be used as soon as practicable to advance eligible projects.

(5)(a) \$40,000,000 of the regional mobility grant program account—state appropriation is provided solely for the regional mobility grant projects identified in LEAP Transportation Document 2011-B, as developed April 19, 2011. The department shall review all projects receiving grant awards under this program at least semiannually to determine whether the projects are making satisfactory progress. Any project that has been awarded funds, but does not report activity on the project within one year of the grant award, must be reviewed by the department to determine whether the grant should be terminated. The department shall promptly close out grants when projects have been completed, and any remaining funds must be used only to fund projects identified in LEAP Transportation Document 2011-B, as developed April 19, 2011. The department shall provide annual status reports on December 15, 2011, and December 15, 2012, to the office of financial management and the transportation committees of the legislature regarding the projects receiving the grants. It is the intent of the legislature to appropriate funds through the regional mobility grant program only for projects that will be completed on schedule.

(b) In order to be eligible to receive a grant under (a) of this subsection during the 2011-2013 fiscal biennium, a transit agency must establish a process for private transportation providers to apply for the use of park and ride facilities. For purposes of this subsection, (i) "private transportation provider" means: An auto transportation company regulated under chapter 81.68 RCW; a passenger charter carrier regulated under chapter 81.70 RCW, except marked or unmarked stretch limousines and stretch sport utility vehicles as defined under department of licensing rules; a private nonprofit transportation provider regulated under chapter 81.66 RCW; or a private employer transportation service provider; and (ii) "private employer transportation service" means regularly scheduled, fixed-route transportation service that is offered by an employer for the benefit of its employees.

(6) \$2,309,000 of the multimodal transportation account—state appropriation is provided solely for the tri-county connection service for Island, Skagit, and Whatcom transit agencies.

(7) \$200,000 of the multimodal transportation account—state appropriation is contingent on the timely development of an annual report summarizing the status of public transportation systems as identified under RCW 35.58.2796.

(8) Funds provided for the commute trip reduction program may also be used for the growth and transportation efficiency center program.

(9) An affected urban growth area that has not previously implemented a commute trip reduction program is exempt from the requirements in RCW 70.94.527 if a solution to address the state highway deficiency that exceeds the person hours of delay threshold has been funded and is in progress during the 2011-2013 fiscal biennium.

***NEW SECTION. Sec. 221. FOR THE DEPARTMENT OF TRANSPORTATION—MARINE—PROGRAM X**

Puget Sound Ferry Operations Account—State

Appropriation. \$467,773,000

The appropriation in this section is subject to the following conditions and limitations:

(1) The office of financial management budget instructions require agencies to recast enacted budgets into activities. The Washington state ferries shall include a greater level of detail in its 2011-2013 supplemental and 2013-2015 omnibus transportation appropriations act requests, as determined jointly by the office of financial management, the Washington state ferries, and the transportation committees of the legislature. This level of detail must include the administrative functions in the operating as well as capital programs.

(2) When purchasing uniforms that are required by collective bargaining agreements, the department shall contract with the lowest cost provider.

(3) The legislature finds that measuring the performance of the Washington state ferries requires the measurement of quality, timeliness, and unit cost of services delivered to customers. Consequently, the department must develop a set of metrics that measure that performance and report to the transportation committees of the legislature and the office of financial management on the development of these measurements along with recommendations to the 2012 legislature on which measurements must become a part of the next omnibus transportation appropriations act. If chapter ... (Substitute House Bill No. 1516), Laws of 2011 (state ferry system management) is enacted, the report under this subsection is not required.

(4) The department shall continue to identify and implement process changes that will improve on-time performance on a route-by-route basis. These changes must include considering the slowing down of vessels for fuel economy purposes and touch-and-go sailings on peak runs. The department shall report its findings to the transportation committees of the legislature by December 1, 2011.

(5) Until a reservation system is operational on the San Juan islands inner-island route, the department shall provide the same priority loading benefits on the San Juan islands inner-island route to home health care workers as are currently provided to patients traveling for purposes of receiving medical treatment.

(6) The department shall request from the United States coast guard variable minimum staffing levels on all of its vessels by December 31, 2011.

(7) The department shall provide fiscal year reports to the transportation committees of the legislature outlining wages and benefits provided to employees.

(8) The department shall provide support to the legislative evaluation and accountability program committee's work of upgrading the transportation

executive information system to include more detailed information for ferry projects.

(9) Appropriations used for labor costs may be used only for obligations under applicable collective bargaining agreements, civil service laws, court orders, and judgments.

(10) The department shall continue to provide service to Sidney, British Columbia and shall explore the option of purchasing a foreign built vehicle and passenger ferry vessel either with safety of life at sea (SOLAS) certification or the ability to be retrofitted for SOLAS certification to operate solely on the Anacortes to Sidney, British Columbia route currently served by vessels of the Washington state ferries fleet. The vessel should have the capability of carrying at least one hundred standard vehicles and approximately four hundred to five hundred passengers. Further, the department shall explore the possibilities of contracting a commercial company to operate the vessel exclusively on this route so long as the contractor's employees assigned to the vessel are represented by the same employee organizations as the Washington state ferries. The department shall report back to the transportation committees of the legislature regarding: The availability of a vessel; the cost of the vessel, including transport to the Puget Sound region; and the need for any statutory changes for the operation of the Sydney, British Columbia service by a private company.

(11) For the 2011-2013 fiscal biennium, the department of transportation may enter into a distributor controlled fuel hedging program.

(12) The department shall target service reductions totaling \$4,000,000, such that the shortening of shoulder seasons and eliminations of off-peak runs on all routes are considered. Prior to implementing the reductions, the department shall consult with ferry employees and ferry advisory committees to determine which reductions would impact the fewest number of riders. The reductions must be identified and implementation must begin no later than the fall 2011 schedule.

(13) \$135,248,000 of the Puget Sound ferry operations account—state appropriation is provided solely for auto ferry vessel operating fuel in the 2011-2013 fiscal biennium.

(14) \$150,000 of the Puget Sound ferry operations account—state appropriation is provided solely for the department to increase recreation and tourist ridership by entering into agreements for marketing and outreach strategies with local economic development agencies. The department shall identify the number of tourist and recreation riders on the applicable ferry routes both before and after implementation of marketing and outreach strategies developed through the agreements. The department shall report results of the marketing and outreach strategies to the transportation committees of the legislature by October 15, 2012.

(15) The Washington state ferries shall participate in the facilities plan included in section 604 of this act and shall include an investigation and identification of less costly relocation options for the Seattle headquarters office. The department shall include relocation options for the Washington state ferries Seattle headquarters office in the facilities plan. Until September 1, 2012, the department may not enter into a lease renewal for the Seattle headquarters office.

(16) The department, office of financial management, and transportation committees of the legislature shall make recommendations regarding an

appropriate budget structure for the Washington state ferries. The recommendation may include a potential restructuring of the Washington state ferries budget. The recommendation must facilitate transparency in reporting and budgeting as well as provide the opportunity to link revenue sources with expenditures. Findings and recommendations must be reported to the office of financial management and the joint transportation committee by September 1, 2011.

(17) Two Kwa-di-tabil class ferry vessels must be placed on the Port Townsend/Coupeville (Keystone) route to provide service at the same levels provided when the steel electric vessels were in service. After the vessels as funded under section 308(7) of this act are in service, the two most appropriate of these vessels for the Port Townsend/Coupeville (Keystone) route must be placed on the route. \$100,000 of the Puget Sound ferry operations account—state appropriation is provided solely for the additional staffing required to maintain a reservation system at this route when the second vessel is in service.

(18) The department shall link all vessel asset condition reports with its vessel life-cycle cost model in such a way that it will lend itself to integration with a vessel asset management system. Each quarter the department shall complete the activity of linking the asset condition of one class of vessels to the life-cycle cost model, beginning with the jumbo mark II class, followed by the Issaquah class, the jumbo mark I class, the super class, and finally the Kwa-di-tabil class. The department shall continue to regularly inspect life-cycle cost model assets and link the resulting asset condition reports with its vessel life-cycle cost model as the assessments are completed. The department shall provide the transportation committees of the legislature with progress reports of this activity as the work for each class of vessels has been completed. This activity must be completed with the results reported to the transportation committees of the legislature by June 1, 2012. The department's 2013-2015 budget request must be developed using the updated life-cycle cost model and must also provide a project scope for implementing a vessel asset management system.

(19) \$706,000 of the Puget Sound ferry operations account—state appropriation is provided solely for terminal operations to implement new federal passenger vessel Americans with disabilities act requirements.

(20) \$152,000 of the Puget Sound ferry operations account—state appropriation is provided solely for the department's compliance with its national pollution discharge elimination system permit.

(21) If chapter ... (Substitute House Bill No. 2053), Laws of 2011 (additive transportation funding) is not enacted by June 30, 2011, the \$4,000,000 in service reductions identified in subsection (12) of this section must be restored and an identical amount must be reduced from the amount provided for the second 144-car vessel identified in section 308(8) of this act.

*Sec. 221 was partially vetoed. See message at end of chapter.

NEW SECTION. Sec. 222. FOR THE DEPARTMENT OF TRANSPORTATION—RAIL—PROGRAM Y—OPERATING

Multimodal Transportation Account—State	
Appropriation.	\$29,688,000
Multimodal Transportation Account—Federal	
Appropriation.	\$300,000

TOTAL APPROPRIATION \$29,988,000

The appropriations in this section are subject to the following conditions and limitations:

(1) \$24,091,000 of the multimodal transportation account—state appropriation is provided solely for the Amtrak service contract and Talgo maintenance contract associated with providing and maintaining state-supported passenger rail service. The department is directed to continue to pursue efforts to reduce costs, increase ridership, and review fares or fare schedules. Within thirty days of each annual cost/revenue reconciliation under the Amtrak service contract, the department shall report annual credits to the office of financial management and the legislative transportation committees. Annual credits from Amtrak to the department including, but not limited to, credits for increased revenue due to higher ridership, and fare or fare schedule adjustments, must be used to offset corresponding amounts of the multimodal transportation account—state appropriation, which must be placed in reserve. Upon completion of the rail platform project in the city of Stanwood, the department shall continue to provide daily Amtrak Cascades service to the city.

(2) Amtrak Cascade runs may not be eliminated.

(3) The department shall plan for a third roundtrip Cascades train between Seattle and Vancouver, B.C.

(4) The department shall conduct a pilot program by partnering with the travel industry on the Amtrak Cascades service between Vancouver, British Columbia, and Seattle to test opportunities for increasing ridership, maximizing farebox recovery, and stimulating private investment. The pilot program must run from July 1, 2011, to June 30, 2012. The department shall report on the results of the pilot program to the office of financial management and the legislature by September 30, 2012.

NEW SECTION. Sec. 223. FOR THE DEPARTMENT OF TRANSPORTATION—LOCAL PROGRAMS—PROGRAM Z—OPERATING

Motor Vehicle Account—State Appropriation \$8,853,000
Motor Vehicle Account—Federal Appropriation \$2,567,000
TOTAL APPROPRIATION \$11,420,000

The appropriations in this section are subject to the following conditions and limitations: The department shall submit a report to the transportation committees of the legislature by December 1, 2011, on the implementation of the recommendations that resulted from the evaluation of efficiencies in the delivery of transportation funding and services to local governments that was required under section 204(8), chapter 247, Laws of 2010. The report must include a description of how recommendations were implemented, what efficiencies were achieved, and an explanation of any recommendations that were not implemented.

TRANSPORTATION AGENCIES—CAPITAL

NEW SECTION. Sec. 301. FOR THE WASHINGTON STATE PATROL

State Patrol Highway Account—State Appropriation \$6,487,000

The appropriation in this section is subject to the following conditions and limitations:

(1) \$653,000 of the state patrol highway account—state appropriation is provided solely for the following minor works projects: \$200,000 for emergency infrastructure repairs; \$75,000 for water and sewer upgrades; \$210,000 for emergency backup system replacement; \$85,000 for chiller replacement; and \$83,000 for roof replacements.

(2) \$3,226,000 of the state patrol highway account—state appropriation is provided solely for the Shelton academy of the Washington state patrol for the new waste water treatment lines, waste water plants, water lines, and water systems. However, \$2,129,000 of this amount is contingent on the department of corrections receiving funding for its portion of the regional water project in the 2011-2013 omnibus capital appropriations act. If this funding is not provided by June 30, 2011, \$2,129,000 of the appropriation provided in this subsection lapses.

(3) \$421,000 of the state patrol highway account—state appropriation is provided solely for the reappropriation of the Shelton regional water project.

(4) \$2,187,000 of the total appropriation is provided solely for mobile office platforms.

(5) It is the intent of the legislature that the omnibus operating appropriations act provide funding for the portion of any applicable debt service payments, resulting from financial contracts identified under section 601 of this act, that are attributable to the general fund as identified in the Washington state patrol's cost allocation model.

NEW SECTION. Sec. 302. FOR THE COUNTY ROAD ADMINISTRATION BOARD

Motor Vehicle Account—State Appropriation	\$874,000
Rural Arterial Trust Account—State Appropriation	\$37,417,000
County Arterial Preservation Account—State	
Appropriation	\$29,360,000
TOTAL APPROPRIATION	\$67,651,000

The appropriations in this section are subject to the following conditions and limitations:

(1) \$874,000 of the motor vehicle account—state appropriation may be used for county ferry projects as developed pursuant to RCW 47.56.725(4).

(2) \$37,417,000 of the rural arterial trust account—state appropriation is provided solely for county road preservation grant projects as approved by the county road administration board. These funds may be used to assist counties recovering from federally declared emergencies by providing capitalization advances and local match for federal emergency funding, and may only be made using existing fund balances. It is the intent of the legislature that the rural arterial trust account be managed based on cash flow. The county road administration board shall specifically identify any of the selected projects and shall include information concerning the selected projects in its next annual report to the legislature.

NEW SECTION. Sec. 303. FOR THE TRANSPORTATION IMPROVEMENT BOARD

Small City Pavement and Sidewalk Account—State	
Appropriation	\$3,812,000
Transportation Improvement Account—State	
Appropriation	\$201,050,000
TOTAL APPROPRIATION	\$204,862,000

The appropriations in this section are subject to the following conditions and limitations: The transportation improvement account—state appropriation includes up to \$22,143,000 in proceeds from the sale of bonds authorized in RCW 47.26.500.

NEW SECTION. Sec. 304. FOR THE DEPARTMENT OF TRANSPORTATION—PROGRAM D—(DEPARTMENT OF TRANSPORTATION-ONLY PROJECTS)—CAPITAL

Motor Vehicle Account—State Appropriation	\$5,433,000
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The appropriation in this section is subject to the following conditions and limitations:

- (1) \$1,364,000 of the motor vehicle account—state appropriation is provided solely for the Olympic region site acquisition debt service payments and administrative costs associated with capital improvement and preservation project and financial management.
- (2) \$3,669,000 of the motor vehicle account—state appropriation is provided solely for high priority safety projects that are directly linked to employee safety, environmental risk, or minor works that prevent facility deterioration.
- (3) \$400,000 of the motor vehicle account—state appropriation is provided solely for the department's compliance with its national pollution discharge elimination system permit.

***NEW SECTION. Sec. 305. FOR THE DEPARTMENT OF TRANSPORTATION—IMPROVEMENTS—PROGRAM I**

Multimodal Transportation Account—State	
Appropriation	\$1,000
Transportation Partnership Account—State	
Appropriation	\$1,991,547,000
Motor Vehicle Account—State Appropriation	\$86,139,000
Motor Vehicle Account—Federal Appropriation	\$450,691,000
Motor Vehicle Account—Private/Local	
Appropriation	\$50,485,000
Transportation 2003 Account (Nickel Account)—State	
Appropriation	\$436,005,000
State Route Number 520 Corridor Account—State	
Appropriation	\$1,019,460,000
TOTAL APPROPRIATION	\$4,034,328,000

The appropriations in this section are subject to the following conditions and limitations:

- (1) Except as provided otherwise in this section, the entire transportation 2003 account (nickel account) appropriation and the entire transportation partnership account appropriation are provided solely for the projects and activities as listed by fund, project, and amount in LEAP Transportation

Document 2011-1 as developed April 19, 2011, Program - Highway Improvement Program (I). However, limited transfers of specific line-item project appropriations may occur between projects for those amounts listed subject to the conditions and limitations in section 603 of this act.

(2) The department shall, on a quarterly basis beginning July 1, 2011, provide to the office of financial management and the legislature reports providing the status on each active project funded in part or whole by the transportation 2003 account (nickel account) or the transportation partnership account. Funding provided at a programmatic level for transportation partnership account and transportation 2003 account (nickel account) projects relating to bridge rail, guard rail, fish passage barrier removal, and roadside safety projects must be reported on a programmatic basis. Projects within this programmatic level funding must be completed on a priority basis and scoped to be completed within the current programmatic budget. Report formatting and elements must be consistent with the October 2009 quarterly project report. The department shall also provide the information required under this subsection on a quarterly basis.

(3) Within the motor vehicle account—state appropriation and motor vehicle account—federal appropriation, the department may transfer funds between programs I and P, except for funds that are otherwise restricted in this act.

(4) The department shall apply for surface transportation program enhancement funds to be expended in lieu of or in addition to state funds for eligible costs of projects in programs I and P including, but not limited to, the state route number 518, state route number 520, Columbia river crossing, and Alaskan Way viaduct projects.

(5) The department shall apply for the competitive portion of federal transit administration funds for eligible transit-related costs of the state route number 520 bridge replacement and HOV project and the Columbia river crossing project. The federal funds described in this subsection must not include those federal transit administration funds distributed by formula. The department shall provide a report regarding this effort to the legislature by October 1, 2011.

(6) Any redistributed federal funds received by the department must, to the greatest extent possible, be applied first to offset planned expenditures of state funds, and second, to offset planned expenditures of federal funds, on projects as identified in the LEAP transportation documents described in this act. If the redistributed federal funds cannot be used in this manner, the department must consult with the joint transportation committee prior to obligating any redistributed federal funds.

(7) The department shall work with the department of archaeology and historic preservation to ensure that the cultural resources investigation is properly conducted on all mega-highway projects and large ferry terminal projects. These projects must be conducted with active archaeological management. Additionally, the department shall establish a scientific peer review of independent archaeologists that are knowledgeable about the region and its cultural resources.

(8) For highway construction projects where the department considers agricultural lands of long-term commercial significance, as defined in RCW 36.70A.030, in reviewing and selecting sites to meet environmental mitigation

requirements under the national environmental policy act (42 U.S.C. Sec. 4321 et seq.) and the state environmental policy act (chapter 43.21C RCW), the department shall, to the greatest extent possible, consider using public land first. If public lands are not available that meet the required environmental mitigation needs, the department may use other sites while making every effort to avoid any net loss of agricultural lands that have a designation of long-term commercial significance.

(9) \$361,000 of the transportation partnership account—state appropriation and \$1,245,000 of the transportation 2003 account (nickel account)—state appropriation are provided solely for project OBI4ENV, Environmental Mitigation Reserve - Nickel/TPA project, as indicated in the LEAP transportation document referenced in subsection (1) of this section. Funds may be used only for environmental mitigation work that is required by permits that were issued for projects funded by the transportation partnership account or transportation 2003 account (nickel account). As part of the 2012 budget submittal, the department shall provide a list of all projects and associated amounts that are being charged to project OBI4ENV during the 2011-2013 fiscal biennium.

(10) The transportation 2003 account (nickel account)—state appropriation includes up to \$361,005,000 in proceeds from the sale of bonds authorized by RCW 47.10.861.

(11) The transportation partnership account—state appropriation includes up to \$1,427,696,000 in proceeds from the sale of bonds authorized in RCW 47.10.873.

(12) The motor vehicle account—state appropriation includes up to \$66,373,000 in proceeds from the sale of bonds authorized in RCW 47.10.843.

(13) The state route number 520 corridor account—state appropriation includes up to \$987,717,000 in proceeds from the sale of bonds authorized in RCW 47.10.879.

(14) \$391,000 of the motor vehicle account—state appropriation and \$4,027,000 of the motor vehicle account—federal appropriation are provided solely for the US 2 High Priority Safety project (100224I). Expenditure of these funds is for safety projects on state route number 2 between Monroe and Gold Bar, which may include median rumble strips, traffic cameras, and electronic message signs.

(15) \$687,000 of the motor vehicle account—federal appropriation, \$16,308,000 of the motor vehicle account—private/local appropriation, and \$22,000 of the motor vehicle account—state appropriation are provided solely for the US 2/Bickford Avenue - Intersection Safety Improvements project (100210E).

(16) \$435,000 of the motor vehicle account—state appropriation is provided solely for environmental work on the Belfair Bypass project (300344C).

(17) \$108,000 of the motor vehicle account—federal appropriation and \$3,000 of the motor vehicle account—state appropriation are provided solely for the I-5/Vicinity of Joint Base Lewis-McChord -Install Ramp Meters project (300596M).

(18) \$253,444,000 of the transportation partnership account—state appropriation and \$66,034,000 of the transportation 2003 account (nickel account)—state appropriation are provided solely for the I-5/Tacoma HOV

Improvements (Nickel/TPA) project (300504A). The use of funds in this subsection to renovate any buildings is subject to the requirements of section 604 of this act. The department shall report to the legislature and the office of financial management on any costs associated with building renovations funded in this subsection.

(19)(a) \$8,321,000 of the transportation partnership account—state appropriation and \$31,380,000 of the motor vehicle account—federal appropriation are provided solely for the I-5/Columbia River Crossing project (400506A). Of this amount, \$200,000 of the transportation partnership account—state appropriation is provided solely for the department to work with the department of archaeology and historic preservation to ensure that the cultural resources investigation is properly conducted on the Columbia river crossing project. This project must be conducted with active archaeological management and result in one report that spans the single cultural area in Oregon and Washington. Additionally, the department shall establish a scientific peer review of independent archaeologists that are knowledgeable about the region and its cultural resources. No funding from any account may be expended until written confirmation has been received by the department that the state of Oregon is providing an equal amount of additional funding to the project.

(b) Consistent with the draft environmental impact statement and the Columbia river crossing project's independent review panel report, the Columbia river crossing project's financial plan must include recognition of state transportation funding contributions from both Washington and Oregon, federal transportation funding, and a funding contribution from toll bond proceeds. Following the refinement of the finance plan as recommended by the independent review panel, the department may seek authorization from the legislature to collect tolls on the existing Columbia river crossing or on a replacement crossing over Interstate 5.

(20) \$107,000 of the motor vehicle account—federal appropriation and \$27,000 of the motor vehicle account—state appropriation are provided solely for the SR 9/SR 204 Intersection Improvement project (L2000040).

(21) \$2,134,000 of the motor vehicle account—federal appropriation and \$47,000 of the motor vehicle account—state appropriation are provided solely for the US 12/Nine Mile Hill to Woodward Canyon Vic -Build New Highway project (501210T).

(22) \$294,000 of the motor vehicle account—federal appropriation and \$13,000 of the motor vehicle account—state appropriation are provided solely for the SR 16/Rosedale Street NW Vicinity - Frontage Road project (301639C). The frontage road must be built for driving speeds of no more than thirty-five miles per hour.

(23) \$1,000,000 of the motor vehicle account—federal appropriation is provided solely for the SR 20/Race Road to Jacob's Road safety project (L2200042).

(24) \$24,002,000 of the transportation partnership account—state appropriation is provided solely for the SR 28/ US 2 and US 97 Eastmont Avenue Extension project (202800D).

(25) \$569,000 of the motor vehicle account—federal appropriation and \$9,000 of the motor vehicle account—state appropriation are provided solely for design and right-of-way work on the I-82/Red Mountain Vicinity project

(508208M). The department shall continue to work with the local partners in developing transportation solutions necessary for the economic growth in the Red Mountain American viticulture area of Benton county.

(26) \$1,500,000 of the motor vehicle account—federal appropriation is provided solely for the I-90 Comprehensive Tolling Study project (100067T).

(27) \$9,422,000 of the motor vehicle account--federal appropriation and \$193,000 of the motor vehicle account--state appropriation are provided solely for the I-90/Sullivan Road to Barker Road - Additional Lanes project (609049N).

(28) Up to \$8,000,000 in savings realized on the I-90/Snoqualmie Pass East - Hyak to Keechelus Dam - Corridor project (509009B) may be used for design work on the next two-mile segment of the corridor. Any additional savings on this project must remain on the corridor. \$590,000 of the funds appropriated for this project may be used to purchase land currently owned by the state parks department. Project funds may not be used to build or improve buildings until the plan described in section 604 of this act is complete.

(29) \$932,000 of the motor vehicle account—federal appropriation is provided solely for the US 97A/North of Wenatchee - Wildlife Fence project (209790B).

(30) The department shall reconvene an expert review panel of no more than three members as described under RCW 47.01.400 for the purpose of updating the work that was previously completed by the panel on the Alaskan Way viaduct replacement project and to ensure that an appropriate and viable financial plan is created and regularly reviewed. The expert review panel must be selected cooperatively by the chairs of the senate and house of representatives transportation committees, the secretary of transportation, and the governor. The expert review panel must report findings and recommendations to the transportation committees of the legislature, the governor's Alaskan Way viaduct project oversight committee, and the transportation commission by October 2011, and annually thereafter until the project is operationally complete.

(31) It is important that the public and policymakers have accurate and timely access to information related to the Alaskan Way viaduct replacement project as it proceeds to, and during, the construction of all aspects of the project including, but not limited to, information regarding costs, schedules, contracts, project status, and neighborhood impacts. Therefore, it is the intent of the legislature that the state, city, and county departments of transportation establish a single source of accountability for integration, coordination, tracking, and information of all requisite components of the replacement project, which must include, at a minimum:

(a) A master schedule of all subprojects included in the full replacement project or program; and

(b) A single point of contact for the public, media, stakeholders, and other interested parties.

(32) Within the amounts provided in this section, \$20,000 of the motor vehicle account—state appropriation and \$980,000 of the motor vehicle account—federal appropriation are provided solely for the department to continue work on a comprehensive tolling study of the state route number 167 corridor (project 316718S). As funding allows, the department shall also

continue work on a comprehensive tolling study of the state route number 509 corridor.

(33)(a) \$131,303,000 of the transportation partnership account—state appropriation, \$51,410,000 of the transportation 2003 account (nickel account)—state appropriation, and \$10,000,000 of the motor vehicle account—federal appropriation are provided solely for the I-405/Kirkland Vicinity Stage 2 - Widening project (8BI1002). This project must be completed as soon as practicable as a design-build project and must be constructed with a footprint that would accommodate potential future express toll lanes.

(b) As part of the project, the department shall conduct a traffic and revenue analysis and complete a financial plan to provide additional information on the revenues, expenditures, and financing options available for active traffic management and congestion relief in the Interstate 405 and state route number 167 corridors. A report must be provided to the transportation committees of the legislature and the office of financial management by January 2012. However, this subsection (33)(b) is null and void if chapter . . . (Engrossed House Bill No. 1382), Laws of 2011 (I-405 express toll lanes) is enacted by June 30, 2011.

(34) Funding for a signal at state route number 507 and Yew Street is included in the appropriation for intersection and spot improvements (OBI2002).

(35) \$226,809,000 of the transportation partnership account—state appropriation and \$1,019,460,000 of the state route number 520 corridor account—state appropriation are provided solely for the state route number 520 bridge replacement and HOV program (8BI1003). When developing the financial plan for the program, the department shall assume that all maintenance and operation costs for the new facility are to be covered by tolls collected on the toll facility, and not by the motor vehicle account.

(36) \$650,000 of the motor vehicle account—federal appropriation is provided solely for the SR 522 Improvements/61st Avenue NE and NE 181st Street project (L1000055).

(37) \$300,000 of the motor vehicle account—federal appropriation is provided solely for the SR 523 Corridor study (L1000059).

(38) The department shall consider using the city of Mukilteo's off-site mitigation program in the event any projects on state route number 525 or 526 require environmental mitigation.

(39) Any savings on projects on the state route number 532 corridor must be used within the corridor to begin work on flood prevention and raising portions of the highway above flood and storm influences.

*Sec. 305 was partially vetoed. See message at end of chapter.

***NEW SECTION. Sec. 306. FOR THE DEPARTMENT OF TRANSPORTATION—PRESERVATION—PROGRAM P**

Transportation Partnership Account—State	
Appropriation	\$34,182,000
Motor Vehicle Account—State Appropriation	\$67,790,000
Motor Vehicle Account—Federal Appropriation	\$632,489,000
Motor Vehicle Account—Private/Local Appropriation	\$19,253,000
TOTAL APPROPRIATION	\$753,714,000

The appropriations in this section are subject to the following conditions and limitations:

(1) Except as provided otherwise in this section, the entire transportation 2003 account (nickel account) appropriation and the entire transportation partnership account appropriation are provided solely for the projects and activities as listed by fund, project, and amount in LEAP Transportation Document 2011-1 as developed April 19, 2011, Program - Highway Preservation Program (P). However, limited transfers of specific line-item project appropriations may occur between projects for those amounts listed subject to the conditions and limitations in section 603 of this act.

(2) The department shall, on a quarterly basis beginning July 1, 2011, provide to the office of financial management and the legislature reports providing the status on each active project funded in part or whole by the transportation 2003 account (nickel account) or the transportation partnership account. Funding provided at a programmatic level for transportation partnership account projects relating to seismic bridges must be reported on a programmatic basis. Projects within this programmatic level funding must be completed on a priority basis and scoped to be completed within the current programmatic budget. The department shall work with the office of financial management and the transportation committees of the legislature to agree on report formatting and elements. Elements must include, but not be limited to, project scope, schedule, and costs. The department shall also provide the information required under this subsection on a quarterly basis.

(3) The department of transportation shall continue to implement the lowest life-cycle cost planning approach to pavement management throughout the state to encourage the most effective and efficient use of pavement preservation funds. Emphasis should be placed on increasing the number of roads addressed on time and reducing the number of roads past due.

(4) Any redistributed federal funds received by the department must, to the greatest extent possible, be applied first to offset planned expenditures of state funds, and second, to offset planned expenditures of federal funds, on projects as identified in the LEAP transportation documents described in this act. If the redistributed federal funds cannot be used in this manner, the department must consult with the joint transportation committee prior to obligating any redistributed federal funds.

(5) Within the motor vehicle account—state appropriation and motor vehicle account—federal appropriation, the department may transfer funds between programs I and P, except for funds that are otherwise restricted in this act.

(6) The department shall apply for surface transportation program enhancement funds to be expended in lieu of or in addition to state funds for eligible costs of projects in programs I and P.

(7) The motor vehicle account—state appropriation includes up to \$17,652,000 in proceeds from the sale of bonds authorized in RCW 47.10.843.

(8) The department must work with cities and counties to develop a comparison of direct and indirect labor costs, overhead rates, and other costs for high-cost bridge inspections charged by the state, counties, and other entities. The comparison is due to the transportation committees of the legislature on September 1, 2011.

(9) \$277,000 of the motor vehicle account—federal appropriation and \$10,000 of the motor vehicle account—state appropriation are provided solely

for the environmental impact statement and preliminary planning for the replacement of the state route number 9 Snohomish river bridge (project L2000018).

(10) \$9,641,000 of the motor vehicle account—federal appropriation, \$2,000,000 of the motor vehicle account—private/local appropriation, and \$361,000 of the motor vehicle account—state appropriation are provided solely for the SR 21/Keller Ferry - Replace Boat project (602110J).

(11) \$3,093,000 of the motor vehicle account—federal appropriation is provided solely for the I-90/Ritzville to Tokio - Paving of Outside Lanes project (609041G).

(12) \$2,733,000 of the motor vehicle account—federal appropriation and \$114,000 of the motor vehicle account—state appropriation are provided solely for the SR 167/Puyallup River Bridge Replacement project (316725A). This project must be completed as a design-build project. The department must work with local jurisdictions and the community during the environmental review process to develop appropriate esthetic design elements, at no additional cost to the department, and traffic management plans pertaining to this project. The department must report to the transportation committees of the legislature on estimated cost and/or time savings realized as a result of using the design-build process.

(13) \$295,000 of the motor vehicle account—federal appropriation and \$5,000 of the motor vehicle account—state appropriation are provided solely for the SR 906/Travelers Rest - Building Renovation project (090600A).

*Sec. 306 was partially vetoed. See message at end of chapter.

NEW SECTION. Sec. 307. FOR THE DEPARTMENT OF TRANSPORTATION—TRAFFIC OPERATIONS—PROGRAM Q—CAPITAL

Motor Vehicle Account—State Appropriation	\$6,439,000
Motor Vehicle Account—Federal Appropriation	\$5,600,000
TOTAL APPROPRIATION	\$12,039,000

The appropriations in this section are subject to the following conditions and limitations: \$1,000,000 of the motor vehicle account—state appropriation for project 000005Q is provided solely for state matching funds for federally selected competitive grants or congressional earmark projects. These moneys must be placed into reserve status until such time as federal funds are secured that require a state match.

***NEW SECTION. Sec. 308. FOR THE DEPARTMENT OF TRANSPORTATION—WASHINGTON STATE FERRIES CONSTRUCTION—PROGRAM W**

Puget Sound Capital Construction Account—State	
Appropriation.	\$68,013,000
Puget Sound Capital Construction Account—Federal	
Appropriation.	\$41,500,000
Transportation 2003 Account (Nickel Account)—State	
Appropriation.	\$118,027,000
Transportation Partnership Account—State	
Appropriation.	\$12,536,000

Multimodal Transportation Account—State

Appropriation	\$43,265,000
TOTAL APPROPRIATION	\$283,341,000

The appropriations in this section are subject to the following conditions and limitations:

(1) \$68,013,000 of the Puget Sound capital construction account—state appropriation, \$41,500,000 of the Puget Sound capital construction account—federal appropriation, \$12,536,000 of the transportation partnership account—state appropriation, \$118,027,000 of the transportation 2003 account (nickel account)—state appropriation, and \$43,265,000 of the multimodal transportation account—state appropriation are provided solely for ferry projects, as listed in LEAP Transportation Document 2011-2 ALL PROJECTS as developed April 19, 2011, Program - Washington State Ferries Capital Program (W).

(2) The department shall work with the department of archaeology and historic preservation to ensure that the cultural resources investigation is properly conducted on all large ferry terminal projects. These projects must be conducted with active archaeological management.

(3) The multimodal transportation account—state appropriation includes up to \$43,265,000 in proceeds from the sale of bonds authorized in RCW 47.10.867.

(4) The transportation 2003 account (nickel account)—state appropriation includes up to \$82,143,000 in proceeds from the sale of bonds authorized in RCW 47.10.861.

(5) The Puget Sound capital construction account—state appropriation includes up to \$52,516,000 in proceeds from the sale of bonds authorized in RCW 47.10.843.

(6) Appropriations used for labor costs may be used only for obligations under applicable collective bargaining agreements, civil service laws, court orders, and judgments.

(7) \$20,906,000 of the transportation 2003 account (nickel account)—state appropriation, \$9,711,000 of the multimodal transportation account—state appropriation, and \$1,537,000 of the Puget Sound capital construction account—state appropriation are provided solely for the acquisition of new Kwa-di-tabil class ferry vessels subject to the conditions of RCW 47.56.780.

(8) \$33,404,000 of the multimodal transportation account—state appropriation, \$2,000,000 of the Puget Sound capital construction account—state appropriation, \$11,500,000 of the transportation partnership account—state appropriation, and \$81,085,000 of the transportation 2003 account (nickel account)—state appropriation are provided solely for the acquisition of two 144-car vessels contingent upon new and sufficient resources. Of these amounts, \$123,828,000 is provided solely for the first 144-car vessel. The department shall use as much already procured equipment as practicable on the 144-car vessel. The vendor must present to the joint transportation committee and the office of financial management, by August 15, 2011, a list of options that will result in significant cost savings changes in terms of construction or the long-term maintenance and operations of the vessel. The vendor must allow for exercising the options without a penalty. If neither chapter ... (Engrossed Substitute Senate Bill No. 5742), Laws of 2011 nor chapter ... (House Bill No.

2083), Laws of 2011 is enacted by June 30, 2011, \$75,000,000 of the transportation 2003 account (nickel account)—state appropriation in this subsection lapses.

(9) The department shall provide to the office of financial management and the legislature quarterly reports providing the status on each project listed in this section and in the project lists submitted pursuant to this act and on any additional projects for which the department has expended funds during the 2011-2013 fiscal biennium. Elements must include, but not be limited to, project scope, schedule, and costs. The department shall also provide the information required under this subsection via the transportation executive information system. The quarterly report regarding the status of projects identified on the list referenced in subsection (1) of this section must be developed according to an earned value method of project monitoring.

(10) The department shall review and adjust its capital program staffing levels to ensure staffing is at the most efficient level necessary to implement the capital program in the omnibus transportation appropriations act. The review must include a comparison to the findings of the 2009 capital staffing levels report. The Washington state ferries shall report this review and adjustment to the office of financial management and the house and senate transportation committees of the legislature by July 2012.

(11) \$3,932,000 of the total appropriation is provided solely for continued permitting work on the Mukilteo ferry terminal (project 952515P). The department shall seek additional federal funding for this project. Prior to beginning terminal improvements, the department shall report to the legislature on the final environmental impact statement by December 31, 2012. The report must include an overview of the costs and benefits of each of the alternatives considered, as well as an identification of costs and a funding plan for the preferred alternative.

(12) The department shall conduct an analysis of the Eagle Harbor slips to determine the cost benefit of replacing or repairing existing structures with new structures including, but not limited to, dolphins and wingwalls. A report on this analysis is due to the legislature by December 31, 2011.

(13) The department shall review all terminal project cost estimates to identify projects where similar design requirements could result in reduced preliminary engineering or miscellaneous items costs. The department shall report to the legislature by September 1, 2011. The report must use programmatic design and include estimated cost savings by reducing repetitive design costs or miscellaneous costs, or both, applied to projects.

(14) \$2,000,000 of the Puget Sound capital construction account—state appropriation is provided solely for emergency capital repair costs. Funds may be spent only after approval from the office of financial management.

(15) \$7,167,000 of the Puget Sound capital construction account—state appropriation is provided solely for the reservation and communications system project.

*Sec. 308 was partially vetoed. See message at end of chapter.

NEW SECTION. Sec. 309. FOR THE DEPARTMENT OF TRANSPORTATION—RAIL—PROGRAM Y—CAPITAL

Essential Rail Assistance Account—State
Appropriation \$1,000,000

Transportation Infrastructure Account—State	
Appropriation.	\$5,838,000
Multimodal Transportation Account—State	
Appropriation.	\$52,000,000
Multimodal Transportation Account—Federal	
Appropriation.	\$366,314,000
Multimodal Transportation Account—Private/Local	
Appropriation.	\$1,292,000
TOTAL APPROPRIATION	\$426,444,000

The appropriations in this section are subject to the following conditions and limitations:

(1)(a) Except as provided otherwise in this section, the entire appropriations in this section are provided solely for the projects and activities as listed by project and amount in LEAP Transportation Document 2011-2 ALL PROJECTS as developed April 19, 2011, Program -Rail Capital Program (Y).

(b) Within the amounts provided in this section, \$2,903,000 of the transportation infrastructure account—state appropriation is for low-interest loans through the freight rail investment bank program for specific projects listed as recipients of these loans in the LEAP transportation document identified in (a) of this subsection. The department shall issue freight rail investment bank program loans with a repayment period of no more than ten years, and only so much interest as is necessary to recoup the department's costs to administer the loans.

(c) Within the amounts provided in this section, \$1,754,000 of the multimodal transportation account—state appropriation and \$1,000,000 of the essential rail assistance account—state appropriation are for statewide emergent freight rail assistance projects identified in the LEAP transportation document identified in (a) of this subsection.

(2)(a) If any funds remain in the program reserves (F01001A & F01000A) for the program and projects listed in subsection (1)(b) and (c) of this section, the department shall issue a call for projects for the freight rail investment bank (FRIB) loan program and the emergent freight rail assistance program (FRAP) grants, and shall evaluate the applications according to the cost-benefit methodology developed during the 2008 interim using the legislative priorities specified in (c) of this subsection. Unsuccessful FRAP grant applicants should be encouraged to apply to the FRIB loan program, if eligible. By November 1, 2011, the department shall submit a prioritized list of recommended projects to the office of financial management and the transportation committees of the legislature.

(b) When the department identifies a prospective rail project that may have strategic significance for the state, or at the request of a proponent of a prospective rail project or a member of the legislature, the department shall evaluate the prospective project according to the cost-benefit methodology developed during the 2008 interim using the legislative priorities specified in (c) of this subsection. The department shall report its cost-benefit evaluation of the prospective rail project, as well as the department's best estimate of an appropriate construction schedule and total project costs, to the office of financial management and the transportation committees of the legislature.

(c) The legislative priorities to be used in the cost-benefit methodology are, in order of relative importance:

- (i) Economic, safety, or environmental advantages of freight movement by rail compared to alternative modes;
- (ii) Self-sustaining economic development that creates family-wage jobs;
- (iii) Preservation of transportation corridors that would otherwise be lost;
- (iv) Increased access to efficient and cost-effective transport to market for Washington's agricultural and industrial products;
- (v) Better integration and cooperation within the regional, national, and international systems of freight distribution; and
- (vi) Mitigation of impacts of increased rail traffic on communities.

(3) The department is directed to expend unallocated federal rail crossing funds in lieu of or in addition to state funds for eligible costs of projects in program Y.

(4) The department shall provide quarterly reports to the office of financial management and the transportation committees of the legislature regarding applications that the department submits for federal funds and the status of such applications.

(5) The department shall, on a quarterly basis, provide to the office of financial management and the legislature reports providing the status on active projects identified in the LEAP transportation document described in subsection (1)(a) of this section. Report formatting and elements must be consistent with the October 2009 quarterly project report.

(6) The multimodal transportation account—state appropriation includes up to \$19,684,000 in proceeds from the sale of bonds authorized in RCW 47.10.867.

(7) When the balance of that portion of the miscellaneous program account apportioned to the department for the grain train program reaches \$1,180,000, the department shall acquire additional grain train railcars.

(8) \$1,087,000 of the multimodal transportation account—state appropriation is provided solely as state matching funds for successful grant applications to either the federal rail line relocation and improvement program (project 798999D) or new federal high-speed rail grants.

(9) The Burlington Northern Santa Fe Skagit river bridge is an integral part of the rail system. Constructed in 1916, the bridge does not meet current design standards and is at risk during flood events that occur on the Skagit river. The department shall work with Burlington Northern Santa Fe and local jurisdictions to secure federal funding for the Skagit river bridge and to develop an appropriate replacement plan and schedule.

(10) \$339,139,000 of the multimodal transportation account—federal appropriation and \$5,099,000 of the multimodal transportation account—state appropriation are provided solely for expenditures related to passenger high-speed rail grants. At one and one-half percent of the total project funds, the multimodal transportation account—state funds are provided solely for expenditures that are not federally reimbursable. Funding in this subsection is the initial portion of multiyear high-speed rail program grants awarded to Washington state for high-speed intercity passenger rail investments. Funding will allow for two additional round trips between Seattle and Portland and other rail improvements.

(11) \$750,000 of the multimodal transportation account—state appropriation is provided solely for the Port of Royal Slope rehabilitation project (L100053). Funding is contingent upon the project completing the rail cost-benefit methodology process developed during the 2008 interim using the legislative priorities outlined in subsection (2)(c) of this section.

NEW SECTION. Sec. 310. FOR THE DEPARTMENT OF TRANSPORTATION—LOCAL PROGRAMS—PROGRAM Z—CAPITAL

Highway Infrastructure Account—State Appropriation	\$207,000
Highway Infrastructure Account—Federal Appropriation	\$1,602,000
Motor Vehicle Account—State Appropriation	\$3,754,000
Motor Vehicle Account—Federal Appropriation	\$31,856,000
Freight Mobility Investment Account—State Appropriation	\$11,278,000
Transportation Partnership Account—State Appropriation	\$6,035,000
Freight Mobility Multimodal Account—State Appropriation	\$15,117,000
Freight Mobility Multimodal Account—Local Appropriation	\$4,752,000
Multimodal Transportation Account—State Appropriation	\$18,453,000
Passenger Ferry Account—State Appropriation	\$1,115,000
TOTAL APPROPRIATION	\$94,169,000

The appropriations in this section are subject to the following conditions and limitations:

(1) The department shall, on a quarterly basis beginning July 1, 2011, provide to the office of financial management and the legislature reports providing the status on each active project funded in part or whole by the transportation 2003 account (nickel account) or the transportation partnership account. Report formatting and elements must be consistent with the October 2009 quarterly project report. The department shall also provide the information required under this subsection on a quarterly basis via the transportation executive information system.

(2) \$1,115,000 of the passenger ferry account—state appropriation is provided solely for near and long-term costs of capital improvements and operating expenses that are consistent with the business plan approved by the governor for passenger ferry service.

(3) The department shall apply for surface transportation program enhancement funds to be expended in lieu of or in addition to state funds for eligible costs of projects in local programs, program Z—capital.

(4) Federal funds may be transferred from program Z to programs I and P and state funds must be transferred from programs I and P to program Z to replace those federal funds in a dollar-for-dollar match. Fund transfers authorized under this subsection shall not affect project prioritization status. Appropriations must initially be allotted as appropriated in this act. The department may not transfer funds as authorized under this subsection without

approval of the office of financial management. The department shall submit a report on those projects receiving fund transfers to the office of financial management and the transportation committees of the legislature by December 1, 2011, and December 1, 2012.

(5) The city of Winthrop may utilize a design-build process for the Winthrop bike path project.

(6) \$11,557,000 of the multimodal transportation account—state appropriation, \$12,136,000 of the motor vehicle account—federal appropriation, and \$5,195,000 of the transportation partnership account—state appropriation are provided solely for the pedestrian and bicycle safety program projects and safe routes to schools program projects identified in: LEAP Transportation Document 2011-A, pedestrian and bicycle safety program projects and safe routes to schools program projects, as developed April 19, 2011; LEAP Transportation Document 2009-A, pedestrian and bicycle safety program projects and safe routes to schools program projects, as developed March 30, 2009; LEAP Transportation Document 2007-A, pedestrian and bicycle safety program projects and safe routes to schools program projects, as developed April 20, 2007; and LEAP Transportation Document 2006-B, pedestrian and bicycle safety program projects and safe routes to schools program projects, as developed March 8, 2006. Projects must be allocated funding based on order of priority. The department shall review all projects receiving grant awards under this program at least semiannually to determine whether the projects are making satisfactory progress. Any project that has been awarded funds, but does not report activity on the project within one year of the grant award must be reviewed by the department to determine whether the grant should be terminated. The department shall promptly close out grants when projects have been completed, and identify where unused grant funds remain because actual project costs were lower than estimated in the grant award.

(7) Except as provided otherwise in this section, the entire appropriations in this section are provided solely for the projects and activities as listed by project and amount in LEAP Transportation Document 2011-2 ALL PROJECTS as developed April 19, 2011, Program -Local Program (Z).

(8) For the 2011-2013 project appropriations, unless otherwise provided in this act, the director of the office of financial management may authorize a transfer of appropriation authority between projects managed by the freight mobility strategic investment board in order for the board to manage project spending and efficiently deliver all projects in the respective program.

(9) With each department budget submittal, the department shall provide an update on the status of the repayment of the twenty million dollars of unobligated federal funds authority advanced by the department in September 2010 to the city of Tacoma for the Murray Morgan/11th Street bridge project.

(10) The department shall prepare a list of main street projects, consistent with chapter ... (Engrossed Substitute House Bill No. 1071), Laws of 2011, for approval in the 2013-2015 fiscal biennium. In order to ensure that any proposed list of projects is consistent with legislative intent, the department shall provide a report to the joint transportation committee by December 1, 2011. The report must identify the eligible segments of main streets highways, the department's proposed project selection and ranking method, criteria to be considered, and a plan for soliciting project proposals.

(11) \$267,000 of the motor vehicle account—state appropriation and \$2,859,000 of the motor vehicle account—federal appropriation are provided solely for completion of the US 101 northeast peninsula safety rest area and associated roadway improvements east of Port Angeles at the Deer Park scenic view point (3LP187A). The department must surplus any right-of-way previously purchased for this project near Sequim. Approval to proceed with construction is contingent on surplus of previously purchased right-of-way.

(12) Up to \$3,650,000 of the motor vehicle account—federal appropriation and \$23,000 of the motor vehicle account—state appropriation are provided solely to reimburse the cities of Kirkland and Redmond for pavement and bridge deck rehabilitation on state route number 908 (1LP611A). These funds may not be expended unless the cities sign an agreement stating that the cities agree to take ownership of state route number 908 in its entirety and agree that the payment of these funds represents the entire state commitment to the cities for state route number 908 expenditures.

(13) \$225,000 of the multimodal transportation account—state appropriation is provided solely for the Shell Valley emergency road and bicycle/pedestrian path (L1000036).

(14) \$150,000 of the motor vehicle account—state appropriation is provided solely for flood reduction solutions on state route number 522 caused by the lower McAleer and Lyon creek basins (L1000041).

(15) \$896,000 of the multimodal transportation account—state appropriation is provided solely for realignment of Parker Road and construction of secondary access off of state route number 20 (L2200040).

(16) An additional \$2,500,000 of the motor vehicle account—federal appropriation is provided solely for the Strander Blvd/SW 27th St Connection project (1LP902F), which amount is reflected in the LEAP transportation document identified in subsection (7) of this section. These funds may only be committed if needed, may not be used to supplant any other committed project partnership funding, and must be the last funds expended.

(17) \$500,000 of the motor vehicle account—federal appropriation is provided solely for safety improvements at the intersection of South Wapato and McDonald Road (L1000052).

(18) \$2,000,000 of the multimodal transportation account—state appropriation is provided solely for the state route number 432 rail realignment and highway improvements project (L1000056).

(19) \$500,000 of the multimodal transportation account—state appropriation is provided solely for a multimodal corridor plan on state route number 520 between Interstate 405 and Avondale Road in Redmond (L1000054).

(20) \$100,000 of the motor vehicle account—federal appropriation is provided solely for state route number 164 and Auburn Way South pedestrian improvements (L1000057).

(21) \$115,000 of the motor vehicle account—federal appropriation is provided solely for median street lighting on state route number 410 (L1000058).

(22) \$60,000 of the multimodal transportation account—state appropriation is provided solely for a cross docking study for the port of Douglas county (L1000060).

(23) \$100,000 of the motor vehicle account—federal appropriation is provided solely for city of Auburn - 8th and R Street NE intersection improvements (L2200043).

(24) \$65,000 of the multimodal transportation account—state appropriation is provided solely for the Puget Sound regional council to further the implementation of multimodal concurrency practice through a transit service overlay zone implemented at the local level (L1000061). This approach will improve the linkage of land use and transportation investment decisions, improve the efficiency of transit service by encouraging transit-supportive development, provide incentives for developers, and support integrated regional growth, economic development, and transportation plans. In carrying out this work, the council shall involve representatives from cities and counties, developers, transit agencies, and other interested stakeholders, and shall consult with other regional transportation planning organizations across the state. The council shall report the results of their work and recommendations to the joint transportation committee by December 2011, with a final report to the transportation committees of the legislature by January 31, 2012.

NEW SECTION. Sec. 311. FEDERAL FUNDS RECEIVED FOR CAPITAL PROJECT EXPENDITURES

To the greatest extent practicable, the department of transportation shall expend federal funds received for capital project expenditures before state funds.

TRANSFERS AND DISTRIBUTIONS

NEW SECTION. Sec. 401. FOR THE STATE TREASURER—BOND RETIREMENT AND INTEREST, AND ONGOING BOND REGISTRATION AND TRANSFER CHARGES: FOR BOND SALES DISCOUNTS AND DEBT TO BE PAID BY MOTOR VEHICLE ACCOUNT AND TRANSPORTATION FUND REVENUE

Highway Bond Retirement Account—State Appropriation	\$920,560,000
Ferry Bond Retirement Account—State Appropriation	\$31,801,000
State Route Number 520 Corridor Account—State Appropriation.	\$1,075,000
Transportation Improvement Board Bond Retirement Account—State Appropriation	\$16,544,000
Nondebt-Limit Reimbursable Account Appropriation	\$25,200,000
Transportation Partnership Account—State Appropriation.	\$3,142,000
Motor Vehicle Account—State Appropriation	\$333,000
Transportation 2003 Account (Nickel Account)—State Appropriation.	\$1,140,000
Transportation Improvement Account—State Appropriation	\$29,000
Multimodal Transportation Account—State Appropriation.	\$138,000
Toll Facility Bond Retirement Account—State Appropriation.	\$33,792,000
Toll Facility Bond Retirement Account—Federal Appropriation.	\$14,649,000
TOTAL APPROPRIATION	\$1,048,403,000

The appropriations in this section are subject to the following conditions and limitations:

(1) \$4,610,000 of the highway bond retirement account—state appropriation is provided solely for debt service on bonds issued to construct a ferry boat vessel with a carrying capacity of one hundred forty-four cars. If neither chapter ... (House Bill No. 2083), Laws of 2011 nor chapter ... (Engrossed Substitute Senate Bill No. 5742) is enacted by June 30, 2011, the amount provided in this subsection lapses.

(2) \$165,000 of the transportation 2003 account (nickel account)—state appropriation is provided solely for discounts on bonds sold to construct a ferry boat vessel with a carrying capacity of one hundred forty-four cars. If neither chapter ... (House Bill No. 2083), Laws of 2011 nor chapter ... (Engrossed Substitute Senate Bill No. 5742) is enacted by June 30, 2011, the amount provided in this subsection lapses.

NEW SECTION. Sec. 402. FOR THE STATE TREASURER—BOND RETIREMENT AND INTEREST, AND ONGOING BOND REGISTRATION AND TRANSFER CHARGES: FOR BOND SALE EXPENSES AND FISCAL AGENT CHARGES

State Route Number 520 Corridor Account—State	
Appropriation.	\$68,000
Transportation Partnership Account—State	
Appropriation.	\$608,000
Motor Vehicle Account—State Appropriation	\$60,000
Transportation 2003 Account (Nickel Account)—State	
Appropriation.	\$219,000
Transportation Improvement Account—State Appropriation	\$5,000
Multimodal Transportation Account—State	
Appropriation.	\$26,000
TOTAL APPROPRIATION	\$986,000

The appropriations in this section are subject to the following conditions and limitations: \$30,000 of the transportation 2003 account (nickel account)—state appropriation is provided solely for expenses associated with bonds sold to construct a ferry boat vessel with a carrying capacity of one hundred forty-four cars. If neither chapter ... (House Bill No. 2083), Laws of 2011 nor chapter ... (Engrossed Substitute Senate Bill No. 5742) is enacted by June 30, 2011, the amount provided in this subsection lapses.

NEW SECTION. Sec. 403. FOR THE STATE TREASURER—BOND RETIREMENT AND INTEREST, AND ONGOING BOND REGISTRATION AND TRANSFER CHARGES: FOR MVFT BONDS AND TRANSFERS

Motor Vehicle Account—State Appropriation: For transfer to the Puget Sound Capital Construction Account	\$52,516,000
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The department of transportation is authorized to sell up to \$52,516,000 in bonds authorized by RCW 47.10.843 for vessel and terminal acquisition, major and minor improvements, and long lead-time materials acquisition for the

Washington state ferries. Of the authorized amounts, \$14,500,000 is provided solely for expenditures made during the fiscal biennium ending June 30, 2011.

NEW SECTION. Sec. 404. FOR THE STATE TREASURER—STATE REVENUES FOR DISTRIBUTION

Motor Vehicle Account—State Appropriation for motor vehicle fuel tax distributions to cities and counties \$478,155,000

NEW SECTION. Sec. 405. FOR THE STATE TREASURER—TRANSFERS

Motor Vehicle Account—State Appropriation: For motor vehicle fuel tax refunds and statutory transfers \$1,246,357,000

NEW SECTION. Sec. 406. FOR THE DEPARTMENT OF LICENSING—TRANSFERS

Motor Vehicle Account—State Appropriation: For motor vehicle fuel tax refunds and transfers \$127,984,000

NEW SECTION. Sec. 407. FOR THE STATE TREASURER—ADMINISTRATIVE TRANSFERS

(1) Tacoma Narrows Toll Bridge Account—State Appropriation: For transfer to the Motor Vehicle Account—State \$543,000

(2) Motor Vehicle Account—State Appropriation: For transfer to the Puget Sound Ferry Operations Account—State \$46,500,000

(3) Recreational Vehicle Account—State Appropriation: For transfer to the Motor Vehicle Account—State \$1,450,000

(4) License Plate Technology Account—State Appropriation: For transfer to the Highway Safety Account—State \$3,200,000

(5) Multimodal Transportation Account—State Appropriation: For transfer to the Puget Sound Ferry Operations Account—State \$43,000,000

(6) Highway Safety Account—State Appropriation: For transfer to the Motor Vehicle Account—State \$23,000,000

(7) Department of Licensing Services Account—State Appropriation: For transfer to the Motor Vehicle Account—State \$400,000

(8) Advanced Right-of-Way Revolving Fund: For transfer to the Motor Vehicle Account—State \$5,000,000

(9) State Route Number 520 Civil Penalties Account—State Appropriation: For transfer to the State Route Number 520 Corridor Account—State \$754,000

(10) Rural Mobility Grant Program Account—State
Appropriation: For transfer to the Multimodal
Transportation Account—State. \$3,000,000

(11) Motor Vehicle Account—State Appropriation:
For transfer to the State Patrol Highway Account—
State. \$14,000,000

(12) State Route Number 520 Corridor Account—State Appropriation: For
transfer to the Motor Vehicle Account—State, in an amount equal to funds
dispersed during the 2009-2011 fiscal biennium authorized under section 805(7)
of this act.

(13) Motor Vehicle Account—State Appropriation:
For transfer to the Special Category C Account—State. \$1,500,000

(14) Regional Mobility Grant Program Account—State
Appropriation: For transfer to the Multimodal
Transportation Account—State. \$1,000,000

(15) State Patrol Highway Account—State
Appropriation: For transfer to the Vehicle
Licensing Fraud Account \$100,000

(16) State Route Number 520 Corridor Account—State
Appropriation: For transfer to the Motor Vehicle
Account. \$2,435,000

(17) The transfers identified in this section are subject to the following
conditions and limitations:

(a) The amount transferred in subsection (1) of this section represents
repayment of operating loans and reserve payments provided to the Tacoma
Narrows toll bridge account from the motor vehicle account in the 2005-2007
fiscal biennium.

(b) The transfer in subsection (9) of this section represents toll revenue
collected from toll violations.

NEW SECTION. Sec. 408. STATUTORY APPROPRIATIONS

In addition to the amounts appropriated in this act for revenue for
distribution, state contributions to the law enforcement officers' and firefighters'
retirement system, and bond retirement and interest including ongoing bond
registration and transfer charges, transfers, interest on registered warrants, and
certificates of indebtedness, there is also appropriated such further amounts as
may be required or available for these purposes under any statutory formula or
under any proper bond covenant made under law.

NEW SECTION. Sec. 409. The department of transportation is authorized
to undertake federal advance construction projects under the provisions of 23
U.S.C. Sec. 115 in order to maintain progress in meeting approved highway
construction and preservation objectives. The legislature recognizes that the use
of state funds may be required to temporarily fund expenditures of the federal
appropriations for the highway construction and preservation programs for
federal advance construction projects prior to conversion to federal funding.

COMPENSATION

NEW SECTION. Sec. 501. COLLECTIVE BARGAINING AGREEMENTS

Provisions or terms and conditions of collective bargaining agreements contained in this act are described in general terms. The collective bargaining agreements or terms and conditions contained in this section and sections 502 through 505 of this act may also be funded by expenditures from nonappropriated accounts. If positions are funded with lidded grants or dedicated fund sources with insufficient revenue, additional funding from other sources is not provided.

NEW SECTION. Sec. 502. COLLECTIVE BARGAINING AGREEMENTS—WSP TROOPERS ASSOCIATION

No agreement has been reached between the governor and the Washington state patrol trooper's association under chapter 41.56 RCW for the 2011-2013 fiscal biennium. Appropriations for the Washington state patrol in this act are sufficient to fund the provisions of the 2009-2011 agreement.

NEW SECTION. Sec. 503. COLLECTIVE BARGAINING AGREEMENTS—WSP LIEUTENANTS ASSOCIATION

No agreement has been reached between the governor and the Washington state patrol lieutenant's association under chapter 41.56 RCW for the 2011-2013 fiscal biennium. Appropriations for the Washington state patrol in this act are sufficient to fund the provisions of the 2009-2011 agreement.

NEW SECTION. Sec. 504. DEPARTMENT OF TRANSPORTATION MARINE DIVISION COLLECTIVE BARGAINING AGREEMENTS—IBU, METAL TRADES, OPEIU, MEBA-UL, MEBA-L, MM&P, FASSPA, SEIU LOCAL NO. 6

(1) Agreements have been reached between the governor and the following unions effective July 1, 2011: Inlandboatmen's union of the pacific; Puget Sound metal trades council; office and professional employees international union local No. 8; marine engineers' beneficial association (unlicensed engine room employees); marine engineers' beneficial association (licensed engineer officers); masters, mates, and pilots; ferry agents, supervisors, and project administrators association and service employees international union local No. 6 under chapter 47.64 RCW for the 2011-2013 fiscal biennium.

(2) Funding is reduced to reflect a reduction to overtime calculation, travel pay for relief employees, and reduced vacation leave accruals.

(3) Except for office and professional employees international union local No. 8, funding is reduced to reflect a three percent temporary salary reduction for all employees for fiscal years 2012 and 2013 through June 29, 2013. Entry level rates for employees under the inlandboatmen's union of the pacific and service employees international union local No. 6 are not subject to the three percent temporary salary reduction.

(4) For employees covered under the office and professional employees international union local No. 8 agreement, funding is reduced to reflect a three percent temporary salary reduction for all employees whose monthly full-time equivalent salary is two thousand five hundred dollars or more per month for fiscal years 2012 and 2013 through June 29, 2013. Temporary salary reduction leave is granted for employees covered under the office and professional employees international union local No. 8 agreement for the term of the 2011-2013 agreement.

(5) Effective June 30, 2013, the salary schedules effective July 1, 2009, through June 29, 2011, will be reinstated for all of the agreements.

(6) Appropriations in this act reflect funding to staff vessels according to United States coast guard certificates of inspection per the agreement noted in subsection (1) of this section.

(7) Appropriations in this act do not reflect funding to fund state employee health benefits for employees represented by the super coalition on health benefits or employees outside of the super coalition on health benefits. Acceptance of the super coalition on health benefits agreement will be contingent upon sufficient funding in the 2011-2013 omnibus operating appropriations act. Funding for health benefits for employees outside of the super coalition on health benefits will be in accordance with appropriations in the 2011-2013 omnibus operating appropriations act.

NEW SECTION. Sec. 505. DEPARTMENT OF TRANSPORTATION MARINE DIVISION COLLECTIVE BARGAINING AGREEMENTS—TERMS AND CONDITIONS

No agreement has been reached between the governor and the masters, mates, and pilots marine operations watch supervisors under chapter 47.64 RCW for the 2011-2013 fiscal biennium. Appropriations in this act reflect funding to maintain the provisions or terms and conditions of the 2009-2011 agreements for fiscal year 2012. Fiscal year 2013 appropriations are reduced to reflect management priorities in collective bargaining.

IMPLEMENTING PROVISIONS

NEW SECTION. Sec. 601. ACQUISITION OF PROPERTIES AND FACILITIES THROUGH FINANCIAL CONTRACTS

(1) The following agencies may enter into financial contracts, paid from any funds of an agency, appropriated or nonappropriated, for the purposes indicated and in not more than the principal amounts indicated, plus financing expenses and required reserves pursuant to chapter 39.94 RCW. When securing properties under this section, agencies shall use the most economical financial contract option available, including long-term leases, lease-purchase agreements, lease-development with option to purchase agreements, or financial contracts using certificates of participation. Expenditures made by an agency for one of the indicated purposes before the issue date of the authorized financial contract and any certificates of participation therein are intended to be reimbursed from proceeds of the financial contract and any certificates of participation therein to the extent provided in the agency's financing plan approved by the state finance committee.

(2) State agencies may enter into agreements with the department of general administration and the state treasurer's office to develop requests to the legislature for the acquisition of properties and facilities through financial contracts. The agreements may include charges for services rendered.

(a) Department of transportation: Enter into a financing contract for up to \$10,824,000 plus financing expenses and required reserves pursuant to chapter 39.94 RCW for the acquisition and implementation of a time, leave, and labor distribution system that is integrated with the state's accounting and human resource management systems.

(b) Department of licensing: Enter into a financing contract for up to \$7,414,000 plus financing expenses and required reserves pursuant to chapter 39.94 RCW for the purchase of a prorate and fuel tax system.

(c) Washington state patrol: (i) Enter into a financing contract for up to \$8,241,000 plus financing expenses and required reserves pursuant to chapter 39.94 RCW to purchase and install mobile office platforms in state patrol and pursuit vehicles.

(ii) Enter into a financing contract for up to \$40,100,000 plus financing expenses and required reserves pursuant to chapter 39.94 RCW to purchase equipment and engineering services to convert to a narrowband digital system.

NEW SECTION. Sec. 602. MEGA-PROJECT REPORTING

Mega-projects are defined as individual or groups of related projects that cost \$1,000,000,000 or more. These projects include, but are not limited to: Alaskan Way viaduct, SR 520, SR 167, I-405, North Spokane corridor, I-5 Tacoma HOV, I-90 Snoqualmie Pass, and the Columbia river crossing. The department of transportation shall track mega-projects and report the financial status and schedule of these projects at least once a year to the transportation committees of the legislature and the office of financial management. The design of mega-projects must be evaluated considering cost, capacity, safety, mobility needs, and how well the design of the facility fits within its urban environment.

NEW SECTION. Sec. 603. FUND TRANSFERS

(1) The transportation 2003 projects or improvements and the 2005 transportation partnership projects or improvements are listed in LEAP Transportation Document 2011-1 as developed April 19, 2011, which consists of a list of specific projects by fund source and amount over a sixteen-year period. Current fiscal biennium funding for each project is a line-item appropriation, while the outer year funding allocations represent a sixteen-year plan. The department is expected to use the flexibility provided in this section to assist in the delivery and completion of all transportation partnership account and transportation 2003 account (nickel account) projects on the LEAP transportation documents referenced in this act. For the 2009-2011 and 2011-2013 project appropriations, unless otherwise provided in this act, the director of financial management may authorize a transfer of appropriation authority between projects funded with transportation 2003 account (nickel account) appropriations, or transportation partnership account appropriations, in order to manage project spending and efficiently deliver all projects in the respective program under the following conditions and limitations:

(a) Transfers may only be made within each specific fund source referenced on the respective project list;

(b) Transfers from a project may not be made as a result of the reduction of the scope of a project or be made to support increases in the scope of a project;

(c) Each transfer between projects may only occur if the director of financial management finds that any resulting change will not hinder the completion of the projects as approved by the legislature. Until the legislature reconvenes to consider the 2012 supplemental transportation budget, any unexpended 2009-2011 appropriation balance as approved by the office of financial management, in consultation with the legislative staff of the house of representatives and senate transportation committees, may be considered when transferring funds between projects;

(d) Transfers from a project may be made if the funds appropriated to the project are in excess of the amount needed to complete the project;

(e) Transfers may not occur for projects not identified on the applicable project list;

(f) Transfers may not be made while the legislature is in session; and

(g) Transfers between projects may be made by the department of transportation until the transfer amount by project exceeds two hundred fifty thousand dollars, or ten percent of the total project, whichever is less. These transfers must be reported quarterly to the director of financial management and the chairs of the house of representatives and senate transportation committees.

(2) At the time the department submits a request to transfer funds under this section, a copy of the request must be submitted to the transportation committees of the legislature.

(3) The office of financial management shall work with legislative staff of the house of representatives and senate transportation committees to review the requested transfers in a timely manner.

(4) The office of financial management shall document approved transfers and schedule changes in the transportation executive information system, compare changes to the legislative baseline funding and schedules identified by project identification number identified in the LEAP transportation documents referenced in this act, and transmit revised project lists to chairs of the transportation committees of the legislature on a quarterly basis.

NEW SECTION. Sec. 604. (1) The department of transportation shall prepare a plan to improve the oversight of real estate procurement and management practices across all departmental programs and regions, including the Washington state ferries. The plan must be submitted to the governor and the joint transportation committee by September 1, 2012. The plan must include:

(a) An inventory of all currently owned and leased office space, tunnel and bridge operations and maintenance facilities, and traffic management centers;

(b) A list of all facilities that will be needed for tunnel and bridge operations or maintenance in the next ten years and the funding source that is assumed for these facilities;

(c) A prioritized list of all buildings that are planned to be constructed, renovated, or remodeled in the next ten years and the funding source that is assumed for these facility improvements;

(d) A list of options for consolidating staff, equipment, and operations activities to reduce costs. This list must include an evaluation of the costs and benefits of owning properties as compared to leasing them using a life-cycle cost analysis; and

(e) A process and plan for regularly evaluating needs for office space, tunnel and bridge operations and maintenance facilities, and traffic management.

(2) Except as provided otherwise in the act, until September 1, 2012, the department of transportation may not enter into new leases, equal value exchanges, or property acquisitions for office needs without first consulting with the office of financial management and the joint transportation committee.

NEW SECTION. Sec. 605. Executive Order number 05-05, archaeological and cultural resources, was issued effective November 10, 2005. Agencies and higher education institutions that issue grants or loans for capital projects shall comply with the requirements set forth in this executive order.

NEW SECTION. Sec. 606. FOR THE DEPARTMENT OF TRANSPORTATION

As part of its annual budget submittal, the department shall provide an annual update to the legislature and the office of financial management that:

(1) Compares the original project cost estimates approved in the transportation 2003 and 2005 transportation partnership project lists to the completed cost of the project, or the most recent legislatively approved budget and total project costs for projects not yet completed;

(2) Identifies highway projects that may be reduced in scope and still achieve a functional benefit;

(3) Identifies highway projects that have experienced scope increases and that can be reduced in scope;

(4) Identifies highway projects that have lost significant local or regional contributions that were essential to completing the project; and

(5) Identifies contingency amounts allocated to projects.

NEW SECTION. Sec. 607. FOR THE DEPARTMENT OF TRANSPORTATION

As part of its 2012 supplemental budget submittal, the department shall provide a report to the legislature and the office of financial management that:

(1) Identifies, by capital project, the amount of state funding that has been reappropriated from the 2009-2011 fiscal biennium into the 2011-2013 fiscal biennium; and

(2) Identifies, for each project, the amount of cost savings or increases in funding that have been identified as compared to the 2011 enacted transportation budget.

NEW SECTION. Sec. 608. STAFFING LEVELS

(1) As the department of transportation completes delivery of the projects funded by the 2003 and 2005 transportation revenue packages, it is clear that the current staffing levels necessary to deliver these projects are not sustainable into the future. Therefore, the department is directed to quickly move forward to develop and implement new business practices so that a smaller, more nimble state workforce can effectively and efficiently deliver transportation improvement programs as they are approved in the future, in strong partnership with the private sector, while protecting the public's interests and assets.

(2) To this end, the department of transportation is directed to reduce the size of its engineering and technical workforce to a level sustained by current law revenue levels currently estimated at two thousand FTEs by the end of the 2013-2015 fiscal biennium. The department's current two thousand eight hundred FTE engineering and technical workforce levels for highway construction will be reduced in the 2011-2013 fiscal biennium, with a target of two thousand four hundred FTEs by June 30, 2013, and to a level of two thousand FTEs by June 30, 2015.

(3) In order to successfully deliver the highway construction program as funded, the department of transportation may continue to contract out engineering and technical services. In addition, the department may continue the incentive program for retirements and employee separations. The department shall report quarterly to the office of financial management and the transportation committees of the legislature on its progress and plans to reduce highway construction workforce levels to two thousand FTEs by June 2015. This report must also be posted on the department's web site.

NEW SECTION. Sec. 609. VOLUNTARY RETIREMENT, SEPARATION, AND DOWNSHIFTING INCENTIVES

As a management tool to reduce costs and make more effective use of resources, while improving employee productivity and morale, agencies may implement a voluntary retirement, separation, and/or downshifting incentive program that is cost neutral or results in cost savings over a two-year period following the commencement of the program, provided that such a program is approved by the director of financial management.

Agencies participating in this authorization may offer voluntary retirement, separation, and/or downshifting incentives and options according to procedures and guidelines established by the office of financial management, in consultation with the department of personnel and the department of retirement systems. The options may include, but are not limited to, financial incentives for: Voluntary separation or retirement, voluntary leave-without-pay, voluntary workweek or work hour reduction, voluntary downward movement, or temporary separation for development purposes. An employee does not have a contractual right to a financial incentive offered pursuant to this section.

Offers must be reviewed and monitored jointly by the department of personnel and the department of retirement systems. Agencies are required to submit a report by June 30, 2013, to the legislature and the office of financial management on the outcome of their approved incentive program. The report must include information on the details of the program, including resulting service delivery changes, agency efficiencies, the cost of the incentive per participant, the total cost to the state, and the projected or actual net dollar savings over the 2011-2013 fiscal biennium.

****NEW SECTION. Sec. 610. (1) The department of transportation shall provide a report to the joint transportation committee by August 1, 2011, providing recommendations on the department's future business model, staffing scenarios, and methods of program and project delivery. The report must:***

(a) *Detail the sustainable staffing level by program to deliver core functions of the department in the context of forecasted resources as of March 2011;*

(b) *Analyze the effect new funding scenarios would have on the sustainable staffing levels for core functions and recommend appropriate staffing levels;*

(c) *Describe how the department's sustainable staffing levels would be affected by new funding scenarios and any other actions the department would need to deliver the program associated with the new funding; and*

(d) *Evaluate alternative program and project delivery methods to improve efficiency and effectiveness and provide recommendations on legislative changes, if necessary, for their implementation.*

(2) *The department shall provide stakeholder involvement opportunities in the development of the report. There must be a minimum of two such meetings: One for the purpose of providing contextual and background information; and a second for review and comment of conclusions and recommendations. Stakeholders must include labor, private engineering contractors, general business interests, representatives of various transportation modes, and others groups as appropriate.*

*Sec. 610 was vetoed. See message at end of chapter.

NEW SECTION. Sec. 611. FOR THE DEPARTMENT OF TRANSPORTATION

The department is given the authority to provide up to \$3,000,000 in toll credits to Kitsap transit for its role in new passenger-only ferry service and ferry corridor-related projects. The number of toll credits provided to Kitsap transit must be equal to, but no more than, the number sufficient to meet federal match requirements for grant funding for passenger-only ferry service, but shall not exceed the amount authorized in this section.

MISCELLANEOUS 2011-2013 FISCAL BIENNIUM

Sec. 701. RCW 47.29.170 and 2009 c 470 s 702 are each amended to read as follows:

Before accepting any unsolicited project proposals, the commission must adopt rules to facilitate the acceptance, review, evaluation, and selection of unsolicited project proposals. These rules must include the following:

(1) Provisions that specify unsolicited proposals must meet predetermined criteria;

(2) Provisions governing procedures for the cessation of negotiations and consideration;

(3) Provisions outlining that unsolicited proposals are subject to a two-step process that begins with concept proposals and would only advance to the second step, which are fully detailed proposals, if the commission so directed;

(4) Provisions that require concept proposals to include at least the following information: Proposers' qualifications and experience; description of the proposed project and impact; proposed project financing; and known public benefits and opposition; and

(5) Provisions that specify the process to be followed if the commission is interested in the concept proposal, which must include provisions:

(a) Requiring that information regarding the potential project would be published for a period of not less than thirty days, during which time entities could express interest in submitting a proposal;

(b) Specifying that if letters of interest were received during the thirty days, then an additional sixty days for submission of the fully detailed proposal would be allowed; and

(c) Procedures for what will happen if there are insufficient proposals submitted or if there are no letters of interest submitted in the appropriate time frame.

The commission may adopt other rules as necessary to avoid conflicts with existing laws, statutes, or contractual obligations of the state.

The commission may not accept or consider any unsolicited proposals before July 1, ((2014)) 2013.

NEW SECTION. Sec. 702. To the extent that any appropriation authorizes expenditures of state funds from the motor vehicle account, special category C account, Tacoma Narrows toll bridge account, transportation 2003 account (nickel account), transportation partnership account, transportation improvement account, Puget Sound capital construction account, multimodal transportation account, state route number 520 corridor account, or other transportation capital project account in the state treasury for a state transportation program that is specified to be funded with proceeds from the sale of bonds authorized in chapter 47.10 RCW, the legislature declares that any such expenditures made prior to the issue date of the applicable transportation bonds for that state transportation program are intended to be reimbursed from proceeds of those transportation bonds in a maximum amount equal to the amount of such appropriation.

Sec. 703. RCW 46.18.060 and 2010 1st sp.s. c 7 s 94 and 2010 c 161 s 604 are each reenacted and amended to read as follows:

(1) The department must review and either approve or reject special license plate applications submitted by sponsoring organizations.

(2) Duties of the department include, but are not limited to, the following:

(a) Review and approve the annual financial reports submitted by sponsoring organizations with active special license plate series and present those annual financial reports to the ~~((senate and house transportation committees))~~ joint transportation committee;

(b) Report annually to the ~~((senate and house of representatives transportation committees))~~ joint transportation committee on the special license plate applications that were considered by the department;

(c) Issue approval and rejection notification letters to sponsoring organizations, the department, the ~~((chairs of the senate and house of representatives transportation committees))~~ executive committee of the joint transportation committee, and the legislative sponsors identified in each application. The letters must be issued within seven days of making a determination on the status of an application; and

(d) Review annually the number of plates sold for each special license plate series created after January 1, 2003. The department may submit a recommendation to discontinue a special plate series to the ~~((chairs of the senate and house of representatives transportation committees))~~ executive committee of the joint transportation committee.

(3) Except as provided in RCW 46.18.245, in order to assess the effects and impact of the proliferation of special license plates, the legislature declares a temporary moratorium on the issuance of any additional plates until July 1, ~~((2011))~~ 2013. During this period of time, the department is prohibited from accepting, reviewing, processing, or approving any applications. Additionally, a special license plate may not be enacted by the legislature during the moratorium, unless the proposed license plate has been approved by the former special license plate review board before February 15, 2005.

Sec. 704. RCW 46.63.170 and 2010 c 161 s 1127 are each amended to read as follows:

(1) The use of automated traffic safety cameras for issuance of notices of infraction is subject to the following requirements:

(a) The appropriate local legislative authority must first enact an ordinance allowing for their use to detect one or more of the following: Stoplight, railroad crossing, or school speed zone violations. At a minimum, the local ordinance must contain the restrictions described in this section and provisions for public notice and signage. Cities and counties using automated traffic safety cameras before July 24, 2005, are subject to the restrictions described in this section, but are not required to enact an authorizing ordinance.

(b) Use of automated traffic safety cameras is restricted to two-arterial intersections, railroad crossings, and school speed zones only.

(c) During the ~~((2009-2011))~~ 2011-2013 fiscal biennium, automated traffic safety cameras may be used to detect speed violations for the purposes of ~~((section 201(2), chapter 470, Laws of 2009))~~ section 201(2) of this act if the local legislative authority first enacts an ordinance authorizing the use of cameras to detect speed violations.

(d) Automated traffic safety cameras may only take pictures of the vehicle and vehicle license plate and only while an infraction is occurring. The picture must not reveal the face of the driver or of passengers in the vehicle.

(e) A notice of infraction must be mailed to the registered owner of the vehicle within fourteen days of the violation, or to the renter of a vehicle within fourteen days of establishing the renter's name and address under subsection (3)(a) of this section. The law enforcement officer issuing the notice of infraction shall include with it a certificate or facsimile thereof, based upon inspection of photographs, microphotographs, or electronic images produced by an automated traffic safety camera, stating the facts supporting the notice of infraction. This certificate or facsimile is prima facie evidence of the facts contained in it and is admissible in a proceeding charging a violation under this chapter. The photographs, microphotographs, or electronic images evidencing the violation must be available for inspection and admission into evidence in a proceeding to adjudicate the liability for the infraction. A person receiving a notice of infraction based on evidence detected by an automated traffic safety camera may respond to the notice by mail.

(f) The registered owner of a vehicle is responsible for an infraction under RCW 46.63.030(1)(e) unless the registered owner overcomes the presumption in RCW 46.63.075, or, in the case of a rental car business, satisfies the conditions under subsection (3) of this section. If appropriate under the circumstances, a renter identified under subsection (3)(a) of this section is responsible for an infraction.

(g) Notwithstanding any other provision of law, all photographs, microphotographs, or electronic images prepared under this section are for the exclusive use of law enforcement in the discharge of duties under this section and are not open to the public and may not be used in a court in a pending action or proceeding unless the action or proceeding relates to a violation under this section. No photograph, microphotograph, or electronic image may be used for any purpose other than enforcement of violations under this section nor retained longer than necessary to enforce this section.

(h) All locations where an automated traffic safety camera is used must be clearly marked by placing signs in locations that clearly indicate to a driver that he or she is entering a zone where traffic laws are enforced by an automated traffic safety camera.

(i) If a county or city has established an authorized automated traffic safety camera program under this section, the compensation paid to the manufacturer or vendor of the equipment used must be based only upon the value of the equipment and services provided or rendered in support of the system, and may not be based upon a portion of the fine or civil penalty imposed or the revenue generated by the equipment.

(2) Infractions detected through the use of automated traffic safety cameras are not part of the registered owner's driving record under RCW 46.52.101 and 46.52.120. Additionally, infractions generated by the use of automated traffic safety cameras under this section shall be processed in the same manner as parking infractions, including for the purposes of RCW 3.50.100, 35.20.220, 46.16A.120, and 46.20.270(3). However, the amount of the fine issued for an infraction generated through the use of an automated traffic safety camera shall not exceed the amount of a fine issued for other parking infractions within the jurisdiction.

(3) If the registered owner of the vehicle is a rental car business, the law enforcement agency shall, before a notice of infraction being issued under this section, provide a written notice to the rental car business that a notice of infraction may be issued to the rental car business if the rental car business does not, within eighteen days of receiving the written notice, provide to the issuing agency by return mail:

(a) A statement under oath stating the name and known mailing address of the individual driving or renting the vehicle when the infraction occurred; or

(b) A statement under oath that the business is unable to determine who was driving or renting the vehicle at the time the infraction occurred because the vehicle was stolen at the time of the infraction. A statement provided under this subsection must be accompanied by a copy of a filed police report regarding the vehicle theft; or

(c) In lieu of identifying the vehicle operator, the rental car business may pay the applicable penalty.

Timely mailing of this statement to the issuing law enforcement agency relieves a rental car business of any liability under this chapter for the notice of infraction.

(4) Nothing in this section prohibits a law enforcement officer from issuing a notice of traffic infraction to a person in control of a vehicle at the time a violation occurs under RCW 46.63.030(1) (a), (b), or (c).

(5) For the purposes of this section, "automated traffic safety camera" means a device that uses a vehicle sensor installed to work in conjunction with an intersection traffic control system, a railroad grade crossing control system, or a speed measuring device, and a camera synchronized to automatically record one or more sequenced photographs, microphotographs, or electronic images of the rear of a motor vehicle at the time the vehicle fails to stop when facing a steady red traffic control signal or an activated railroad grade crossing control signal, or exceeds a speed limit in a school speed zone as detected by a speed measuring device. During the ~~((2009-2011))~~ 2011-2013 fiscal biennium, an automated traffic safety camera includes a camera used to detect speed violations for the purposes of ~~((section 201(2), chapter 470, Laws of 2009))~~ section 201(2) of this act.

(6) During the ~~((2009-2011))~~ 2011-2013 fiscal biennium, this section does not apply to automated traffic safety cameras for the purposes of ~~((section 218(2), chapter 470, Laws of 2009))~~ section 216(5) of this act.

Sec. 705. RCW 46.63.160 and 2010 c 249 s 6 are each amended to read as follows:

(1) This section applies only to civil penalties for nonpayment of tolls detected through use of photo toll systems.

(2) Nothing in this section prohibits a law enforcement officer from issuing a notice of traffic infraction to a person in control of a vehicle at the time a violation occurs under RCW 46.63.030(1) (a), (b), or (c).

(3) A notice of civil penalty may be issued by the department of transportation when a toll is assessed through use of a photo toll system and the toll is not paid by the toll payment due date, which is eighty days from the date the vehicle uses the toll facility and incurs the toll charge.

(4) Any registered owner or renter of a vehicle traveling upon a toll facility operated under chapter 47.56 or 47.46 RCW is subject to a civil penalty governed by the administrative procedures set forth in this section when the vehicle incurs a toll charge and the toll is not paid by the toll payment due date, which is eighty days from the date the vehicle uses the toll facility and incurs the toll charge.

(5) Consistent with chapter 34.05 RCW, the department of transportation shall develop an administrative adjudication process to review appeals of civil penalties issued by the department of transportation for toll nonpayment detected through the use of a photo toll system under this section.

(6) The use of a photo toll system is subject to the following requirements:

(a) Photo toll systems may take photographs, digital photographs, microphotographs, videotapes, or other recorded images of the vehicle and vehicle license plate only.

(b) A notice of civil penalty must include with it a certificate or facsimile thereof, based upon inspection of photographs, microphotographs, videotape, or other recorded images produced by a photo toll system, stating the facts

supporting the notice of civil penalty. This certificate or facsimile is prima facie evidence of the facts contained in it and is admissible in a proceeding established under subsection (5) of this section. The photographs, digital photographs, microphotographs, videotape, or other recorded images evidencing the toll nonpayment civil penalty must be available for inspection and admission into evidence in a proceeding to adjudicate the liability for the civil penalty.

(c) Notwithstanding any other provision of law, all photographs, digital photographs, microphotographs, videotape, other recorded images, or other records identifying a specific instance of travel prepared under this chapter are for the exclusive use of the tolling agency for toll collection and enforcement purposes and are not open to the public and may not be used in a court in a pending action or proceeding unless the action or proceeding relates to a civil penalty under this chapter. No photograph, digital photograph, microphotograph, videotape, other recorded image, or other record identifying a specific instance of travel may be used for any purpose other than toll collection or enforcement of civil penalties under this section. Records identifying a specific instance of travel by a specific person or vehicle must be retained only as required to ensure payment and enforcement of tolls and to comply with state records retention policies.

(d) All locations where a photo toll system is used must be clearly marked by placing signs in locations that clearly indicate to a driver that he or she is entering a zone where tolls are assessed and enforced by a photo toll system.

(e) Within existing resources, the department of transportation shall conduct education and outreach efforts at least six months prior to activating an all-electronic photo toll system. Methods of outreach shall include a department presence at community meetings in the vicinity of a toll facility, signage, and information published in local media. Information provided shall include notice of when all electronic photo tolling shall begin and methods of payment. Additionally, the department shall provide quarterly reporting on education and outreach efforts and other data related to the issuance of civil penalties.

(7) Civil penalties for toll nonpayment detected through the use of photo toll systems must be issued to the registered owner of the vehicle identified by the photo toll system, but are not part of the registered owner's driving record under RCW 46.52.101 and 46.52.120.

(8) The civil penalty for toll nonpayment detected through the use of a photo toll system is forty dollars plus the photo toll and associated fees.

(9) Except as provided otherwise in this subsection, all civil penalties, including the photo toll and associated fees, collected under this section must be deposited into the toll facility account of the facility on which the toll was assessed. However, ~~((beginning on July 1, 2014))~~ through June 30, 2013, civil penalties deposited into the Tacoma Narrows toll bridge account created under RCW 47.56.165 that are in excess of amounts necessary to support the toll adjudication process applicable to toll collection on the Tacoma Narrows bridge must first be allocated toward repayment of operating loans and reserve payments provided to the account from the motor vehicle account under section 1005(15), chapter 518, Laws of 2007. Additionally, all civil penalties, resulting from nonpayment of tolls on the state route number 520 corridor, shall be deposited into the state route number 520 civil penalties account created under

section 4, chapter 248, Laws of 2010 but only if chapter 248, Laws of 2010 is enacted by June 30, 2010.

(10) If the registered owner of the vehicle is a rental car business, the department of transportation shall, before a toll bill is issued, provide a written notice to the rental car business that a toll bill may be issued to the rental car business if the rental car business does not, within thirty days of the mailing of the written notice, provide to the issuing agency by return mail:

(a) A statement under oath stating the name and known mailing address of the individual driving or renting the vehicle when the toll was assessed; or

(b) A statement under oath that the business is unable to determine who was driving or renting the vehicle at the time the toll was assessed because the vehicle was stolen at the time the toll was assessed. A statement provided under this subsection must be accompanied by a copy of a filed police report regarding the vehicle theft; or

(c) In lieu of identifying the vehicle operator, the rental car business may pay the applicable toll and fee.

Timely mailing of this statement to the issuing agency relieves a rental car business of any liability under this section for the payment of the toll.

(11) Consistent with chapter 34.05 RCW, the department of transportation shall develop rules to implement this section.

(12) For the purposes of this section, "photo toll system" means the system defined in RCW 47.56.010 and 47.46.020.

**Sec. 706. RCW 43.19.642 and 2010 c 247 s 701 are each amended to read as follows:*

(1) Effective June 1, 2006, for agencies complying with the ultra-low sulfur diesel mandate of the United States environmental protection agency for on-highway diesel fuel, agencies shall use biodiesel as an additive to ultra-low sulfur diesel for lubricity, provided that the use of a lubricity additive is warranted and that the use of biodiesel is comparable in performance and cost with other available lubricity additives. The amount of biodiesel added to the ultra-low sulfur diesel fuel shall be not less than two percent.

(2) Effective June 1, 2009, state agencies are required to use a minimum of twenty percent biodiesel as compared to total volume of all diesel purchases made by the agencies for the operation of the agencies' diesel-powered vessels, vehicles, and construction equipment.

(3) All state agencies using biodiesel fuel shall, beginning on July 1, 2006, file biannual reports with the department of general administration documenting the use of the fuel and a description of how any problems encountered were resolved.

(4) For the 2009-2011 fiscal biennium, all fuel purchased by the Washington state ferries at Harbor Island for the operation of the Washington state ferries diesel powered vessels must be a minimum of five percent biodiesel blend so long as the per gallon price of diesel containing a five percent biodiesel blend level does not exceed the per gallon price of diesel by more than five percent. If the per gallon price of diesel containing a five percent biodiesel blend level exceeds the per gallon price of diesel by more than five percent, the requirements of this section do not apply to vessel fuel purchases by the Washington state ferries.

(5) By December 1, 2009, the department of general administration shall:

(a) Report to the legislature on the average true price differential for biodiesel by blend and location; and

(b) Examine alternative fuel procurement methods that work to address potential market barriers for in-state biodiesel producers and report these findings to the legislature.

(6) During the 2011-2013 fiscal biennium, this section does not apply to fuel purchased by the Washington state ferries.

*Sec. 706 was vetoed. See message at end of chapter.

Sec. 707. RCW 43.19.534 and 2009 c 470 s 717 are each amended to read as follows:

(1) State agencies, the legislature, and departments shall purchase for their use all goods and services required by the legislature, agencies, or departments that are produced or provided in whole or in part from class II inmate work programs operated by the department of corrections through state contract. These goods and services shall not be purchased from any other source unless, upon application by the department or agency: (a) The department of general administration finds that the articles or products do not meet the reasonable requirements of the agency or department, (b) are not of equal or better quality, or (c) the price of the product or service is higher than that produced by the private sector. However, the criteria contained in (a), (b), and (c) of this section for purchasing goods and services from sources other than correctional industries do not apply to goods and services produced by correctional industries that primarily replace goods manufactured or services obtained from outside the state. The department of corrections and department of general administration shall adopt administrative rules that implement this section.

(2) During the 2009-2011 and 2011-2013 fiscal (~~biennium~~) biennia, and in conformance with section 223(11), chapter 470, Laws of 2009 and section 221(2) of this act, this section does not apply to the purchase of uniforms by the Washington state ferries.

Sec. 708. RCW 47.01.380 and 2009 c 470 s 705 are each amended to read as follows:

The department shall not commence construction on any part of the state route number 520 bridge replacement and HOV project until a record of decision has been reached providing reasonable assurance that project impacts will be avoided, minimized, or mitigated as much as practicable to protect against further adverse impacts on neighborhood environmental quality as a result of repairs and improvements made to the state route number 520 bridge and its connecting roadways, and that any such impacts will be addressed through engineering design choices, mitigation measures, or a combination of both. The requirements of this section shall not apply to off-site pontoon construction supporting the state route number 520 bridge replacement and HOV project. The requirements of this section shall not apply during the 2009-2011 and 2011-2013 fiscal (~~biennium~~) biennia.

Sec. 709. RCW 47.56.403 and 2005 c 312 s 3 are each amended to read as follows:

(1) The department may provide for the establishment, construction, and operation of a pilot project of high occupancy toll lanes on state route 167 high occupancy vehicle lanes within King county. The department may issue, buy,

and redeem bonds, and deposit and expend them; secure and remit financial and other assistance in the construction of high occupancy toll lanes, carry insurance, and handle any other matters pertaining to the high occupancy toll lane pilot project.

(2) Tolls for high occupancy toll lanes will be established as follows:

(a) The schedule of toll charges for high occupancy toll lanes must be established by the transportation commission and collected in a manner determined by the commission.

(b) Toll charges shall not be assessed on transit buses and vanpool vehicles owned or operated by any public agency.

(c) The department shall establish performance standards for the state route 167 high occupancy toll lane pilot project. The department must automatically adjust the toll charge, using dynamic tolling, to ensure that toll-paying single-occupant vehicle users are only permitted to enter the lane to the extent that average vehicle speeds in the lane remain above forty-five miles per hour at least ninety percent of the time during peak hours. The toll charge may vary in amount by time of day, level of traffic congestion within the highway facility, vehicle occupancy, or other criteria, as the commission may deem appropriate. The commission may also vary toll charges for single-occupant inherently low-emission vehicles such as those powered by electric batteries, natural gas, propane, or other clean burning fuels.

(d) The commission shall periodically review the toll charges to determine if the toll charges are effectively maintaining travel time, speed, and reliability on the highway facilities.

(3) The department shall monitor the state route 167 high occupancy toll lane pilot project and shall annually report to the transportation commission and the legislature on operations and findings. At a minimum, the department shall provide facility use data and review the impacts on:

(a) Freeway efficiency and safety;

(b) Effectiveness for transit;

(c) Person and vehicle movements by mode;

(d) Ability to finance improvements and transportation services through tolls; and

(e) The impacts on all highway users. The department shall analyze aggregate use data and conduct, as needed, separate surveys to assess usage of the facility in relation to geographic, socioeconomic, and demographic information within the corridor in order to ascertain actual and perceived questions of equitable use of the facility.

(4) The department shall modify the pilot project to address identified safety issues and mitigate negative impacts to high occupancy vehicle lane users.

(5) Authorization to impose high occupancy vehicle tolls for the state route 167 high occupancy toll pilot project expires if either of the following two conditions apply:

(a) If no contracts have been let by the department to begin construction of the toll facilities associated with this pilot project within four years of July 24, 2005; or

(b) ~~((Four years after toll collection begins under this section))~~ If high occupancy vehicle tolls are being collected on June 30, 2013.

(6) The department of transportation shall adopt rules that allow automatic vehicle identification transponders used for electronic toll collection to be compatible with other electronic payment devices or transponders from the Washington state ferry system, other public transportation systems, or other toll collection systems to the extent that technology permits.

(7) The conversion of a single existing high occupancy vehicle lane to a high occupancy toll lane as proposed for SR-167 must be taken as the exception for this pilot project.

(8) A violation of the lane restrictions applicable to the high occupancy toll lanes established under this section is a traffic infraction.

(9) Procurement activity associated with this pilot project shall be open and competitive in accordance with chapter 39.29 RCW.

Sec. 710. RCW 47.28.030 and 2010 c 283 s 9 and 2010 c 5 s 11 are each reenacted and amended to read as follows:

(1)(a) A state highway shall be constructed, altered, repaired, or improved, and improvements located on property acquired for right-of-way purposes may be repaired or renovated pending the use of such right-of-way for highway purposes, by contract or state forces. The work or portions thereof may be done by state forces when the estimated costs thereof are less than fifty thousand dollars and effective July 1, 2005, sixty thousand dollars.

(b) When delay of performance of such work would jeopardize a state highway or constitute a danger to the traveling public, the work may be done by state forces when the estimated cost thereof is less than eighty thousand dollars and effective July 1, 2005, one hundred thousand dollars.

(c) When the department of transportation determines to do the work by state forces, it shall enter a statement upon its records to that effect, stating the reasons therefor.

(d) To enable a larger number of small businesses and veteran, minority, and women contractors to effectively compete for department of transportation contracts, the department may adopt rules providing for bids and award of contracts for the performance of work, or furnishing equipment, materials, supplies, or operating services whenever any work is to be performed and the engineer's estimate indicates the cost of the work would not exceed eighty thousand dollars and effective July 1, 2005, one hundred thousand dollars.

(2) The rules adopted under this section:

(a) Shall provide for competitive bids to the extent that competitive sources are available except when delay of performance would jeopardize life or property or inconvenience the traveling public; and

(b) Need not require the furnishing of a bid deposit nor a performance bond, but if a performance bond is not required then progress payments to the contractor may be required to be made based on submittal of paid invoices to substantiate proof that disbursements have been made to laborers, material suppliers, mechanics, and subcontractors from the previous partial payment; and

(c) May establish prequalification standards and procedures as an alternative to those set forth in RCW 47.28.070, but the prequalification standards and procedures under RCW 47.28.070 shall always be sufficient.

(3) The department of transportation shall comply with such goals and rules as may be adopted by the office of minority and women's business enterprises to implement chapter 39.19 RCW with respect to contracts entered into under this

chapter. The department may adopt such rules as may be necessary to comply with the rules adopted by the office of minority and women's business enterprises under chapter 39.19 RCW.

(4)(a) For the period of March 15, 2010, through June 30, ~~((2014))~~ 2013, work for less than one hundred twenty thousand dollars may be performed on ferry vessels and terminals by state forces.

(b) The department shall hire a disinterested, third party to conduct an independent analysis to identify methods of reducing out-of-service times for vessel maintenance, preservation, and improvement projects. The analysis must include options that consider consolidating work while vessels are at shipyards by having state forces perform services traditionally performed at Eagle Harbor at the shipyard and decreasing the allowable time at shipyards. The analysis must also compare the out-of-service vessel times of performing services by state forces versus contracting out those services which in turn must be used to form a recommendation as to what the threshold of work performed on ferry vessels and terminals by state forces should be. This analysis must be presented to the transportation committees of the senate and house of representatives by December 1, 2010.

(c) The department shall develop a proposed ferry vessel maintenance, preservation, and improvement program and present it to the transportation committees of the senate and house of representatives by December 1, 2010. The proposed program must:

(i) Improve the basis for budgeting vessel maintenance, preservation, and improvement costs and for projecting those costs into a sixteen-year financial plan;

(ii) Limit the amount of planned out-of-service time to the greatest extent possible, including options associated with department staff as well as commercial shipyards; and

(iii) Be based on the service plan in the capital plan, recognizing that vessel preservation and improvement needs may vary by route.

(d) In developing the proposed ferry vessel maintenance, preservation, and improvement program, the department shall consider the following, related to reducing vessel out-of-service time:

(i) The costs compared to benefits of Eagle Harbor repair and maintenance facility operations options to include staffing costs and benefits in terms of reduced out-of-service time;

(ii) The maintenance requirements for on-vessel staff, including the benefits of a systemwide standard;

(iii) The costs compared to benefits of staff performing preservation or maintenance work, or both, while the vessel is underway, tied up between sailings, or not deployed;

(iv) A review of the department's vessel maintenance, preservation, and improvement program contracting process and contractual requirements;

(v) The costs compared to benefits of allowing for increased costs associated with expedited delivery;

(vi) A method for comparing the anticipated out-of-service time of proposed projects and other projects planned during the same construction period;

(vii) Coordination with required United States coast guard dry dockings;

(viii) A method for comparing how proposed projects relate to the service requirements of the route on which the vessel normally operates; and

(ix) A method for evaluating the ongoing maintenance and preservation costs associated with proposed improvement projects.

Sec. 711. RCW 43.105.330 and 2006 c 76 s 2 are each amended to read as follows:

(1) The board shall appoint a state interoperability executive committee, the membership of which must include, but not be limited to, representatives of the military department, the Washington state patrol, the department of transportation, the department of information services, the department of natural resources, city and county governments, state and local fire chiefs, police chiefs, and sheriffs, and state and local emergency management directors. The chair and legislative members of the board will serve as nonvoting ex officio members of the committee. Voting membership may not exceed fifteen members.

(2) The chair of the board shall appoint the chair of the committee from among the voting members of the committee.

(3) The state interoperability executive committee has the following responsibilities:

(a) Develop policies and make recommendations to the board for technical standards for state wireless radio communications systems, including emergency communications systems. The standards must address, among other things, the interoperability of systems, taking into account both existing and future systems and technologies;

(b) Coordinate and manage on behalf of the board the licensing and use of state-designated and state-licensed radio frequencies, including the spectrum used for public safety and emergency communications, and serve as the point of contact with the federal communications commission on matters relating to allocation, use, and licensing of radio spectrum;

~~(c) ((Coordinate the purchasing of all state wireless radio communications system equipment to ensure that:~~

~~(i) After the transition from a radio over internet protocol network, any new trunked system shall be, at a minimum, project 25;~~

~~(ii) Any new system that requires advanced digital features shall be, at a minimum, project 25; and~~

~~(iii) Any new system or equipment purchases shall be, at a minimum, upgradeable to project 25;~~

~~(d))~~ Seek support, including possible federal or other funding, for state-sponsored wireless communications systems;

~~((e))~~ (d) Develop recommendations for legislation that may be required to promote interoperability of state wireless communications systems;

~~((f))~~ (e) Foster cooperation and coordination among public safety and emergency response organizations;

~~((g))~~ (f) Work with wireless communications groups and associations to ensure interoperability among all public safety and emergency response wireless communications systems; and

~~((h))~~ (g) Perform such other duties as may be assigned by the board to promote interoperability of wireless communications systems.

(4) During the 2011-2013 fiscal biennium, the requirement that any state or local entity must purchase radios or communication systems that are the P25 communication standard is suspended.

Sec. 712. RCW 47.64.170 and 2010 c 283 s 11 are each amended to read as follows:

(1) Any ferry employee organization certified as the bargaining representative shall be the exclusive representative of all ferry employees in the bargaining unit and shall represent all such employees fairly.

(2) A ferry employee organization or organizations and the governor may each designate any individual as its representative to engage in collective bargaining negotiations.

(3) Negotiating sessions, including strategy meetings of the employer or employee organizations, mediation, and the deliberative process of arbitrators are exempt from the provisions of chapter 42.30 RCW. Hearings conducted by arbitrators may be open to the public by mutual consent of the parties.

(4) Terms of any collective bargaining agreement may be enforced by civil action in Thurston county superior court upon the initiative of either party.

(5) Ferry system employees or any employee organization shall not negotiate or attempt to negotiate directly with anyone other than the person who has been appointed or authorized a bargaining representative for the purpose of bargaining with the ferry employees or their representative.

(6)(a) Within ten working days after the first Monday in September of every odd-numbered year, the parties shall attempt to agree on an interest arbitrator to be used if the parties are not successful in negotiating a comprehensive collective bargaining agreement. If the parties cannot agree on an arbitrator within the ten-day period, either party may request a list of seven arbitrators from the federal mediation and conciliation service. The parties shall select an interest arbitrator using the coin toss/alternate strike method within thirty calendar days of receipt of the list. Immediately upon selecting an interest arbitrator, the parties shall cooperate to reserve dates with the arbitrator for potential arbitration between August 1st and September 15th of the following even-numbered year. The parties shall also prepare a schedule of at least five negotiation dates for the following year, absent an agreement to the contrary. The parties shall execute a written agreement before November 1st of each odd-numbered year setting forth the name of the arbitrator and the dates reserved for bargaining and arbitration. This subsection (6)(a) imposes minimum obligations only and is not intended to define or limit a party's full, good faith bargaining obligation under other sections of this chapter.

(b) The negotiation of a proposed collective bargaining agreement by representatives of the employer and a ferry employee organization shall commence on or about February 1st of every even-numbered year.

(c) For negotiations covering the 2009-2011 biennium and subsequent biennia, the time periods specified in this section, and in RCW 47.64.210 and 47.64.300 through 47.64.320, must ensure conclusion of all agreements on or before October 1st of the even-numbered year next preceding the biennial budget period during which the agreement should take effect. These time periods may only be altered by mutual agreement of the parties in writing. Any such agreement and any impasse procedures agreed to by the parties under RCW 47.64.200 must include an agreement regarding the new time periods that will

allow final resolution by negotiations or arbitration by October 1st of each even-numbered year.

(7) It is the intent of this section that the collective bargaining agreement or arbitrator's award shall commence on July 1st of each odd-numbered year and shall terminate on June 30th of the next odd-numbered year to coincide with the ensuing biennial budget year, as defined by RCW 43.88.020(7), to the extent practical. It is further the intent of this section that all collective bargaining agreements be concluded by October 1st of the even-numbered year before the commencement of the biennial budget year during which the agreements are to be in effect. After the expiration date of a collective bargaining agreement negotiated under this chapter, except to the extent provided in subsection (11) of this section and RCW 47.64.270(4), all of the terms and conditions specified in the collective bargaining agreement remain in effect until the effective date of a subsequently negotiated agreement, not to exceed one year from the expiration date stated in the agreement. Thereafter, the employer may unilaterally implement according to law.

(8) The office of financial management shall conduct a salary survey, for use in collective bargaining and arbitration, which must be conducted through a contract with a firm nationally recognized in the field of human resources management consulting.

(9) Except as provided in subsection (11) of this section:

(a) The governor shall submit a request either for funds necessary to implement the collective bargaining agreements including, but not limited to, the compensation and fringe benefit provisions or for legislation necessary to implement the agreement, or both. Requests for funds necessary to implement the collective bargaining agreements shall not be submitted to the legislature by the governor unless such requests:

(i) Have been submitted to the director of the office of financial management by October 1st before the legislative session at which the requests are to be considered; and

(ii) Have been certified by the director of the office of financial management as being feasible financially for the state.

(b) The governor shall submit a request either for funds necessary to implement the arbitration awards or for legislation necessary to implement the arbitration awards, or both. Requests for funds necessary to implement the arbitration awards shall not be submitted to the legislature by the governor unless such requests:

(i) Have been submitted to the director of the office of financial management by October 1st before the legislative session at which the requests are to be considered; and

(ii) Have been certified by the director of the office of financial management as being feasible financially for the state.

(c) The legislature shall approve or reject the submission of the request for funds necessary to implement the collective bargaining agreements or arbitration awards as a whole for each agreement or award. The legislature shall not consider a request for funds to implement a collective bargaining agreement or arbitration award unless the request is transmitted to the legislature as part of the governor's budget document submitted under RCW 43.88.030 and 43.88.060. If the legislature rejects or fails to act on the submission, either party may reopen

all or part of the agreement and award or the exclusive bargaining representative may seek to implement the procedures provided for in RCW 47.64.210 and 47.64.300.

(10) If, after the compensation and fringe benefit provisions of an agreement are approved by the legislature, a significant revenue shortfall occurs resulting in reduced appropriations, as declared by proclamation of the governor or by resolution of the legislature, both parties shall immediately enter into collective bargaining for a mutually agreed upon modification of the agreement.

(11)(a) For the collective bargaining agreements negotiated for the 2011-2013 fiscal biennium, the legislature may consider a request for funds to implement a collective bargaining agreement even if the request for funds was not received by the office of financial management by October 1st and was not transmitted to the legislature as part of the governor's budget document submitted under RCW 43.88.030 and 43.88.060.

(b) For the 2011-2013 fiscal biennium, a collective bargaining agreement related to employee health care benefits negotiated between the employer and coalition pursuant to RCW 41.80.020(3) regarding the dollar amount expended on behalf of each employee must be a separate agreement for which the governor may request funds necessary to implement the agreement. If such an agreement is negotiated and funded by the legislature, this agreement will supersede any terms and conditions of an expired 2009-2011 biennial master collective bargaining agreement under this chapter regarding health care benefits.

Sec. 713. RCW 47.64.270 and 2010 c 283 s 13 are each amended to read as follows:

(1) The employer and one coalition of all the exclusive bargaining representatives subject to this chapter and chapter 41.80 RCW shall conduct negotiations regarding the dollar amount expended on behalf of each employee for health care benefits.

(2) Absent a collective bargaining agreement to the contrary, the department of transportation shall provide contributions to insurance and health care plans for ferry system employees and dependents, as determined by the state health care authority, under chapter 41.05 RCW.

(3) The employer and employee organizations may collectively bargain for insurance plans other than health care benefits, and employer contributions may exceed that of other state agencies as provided in RCW 41.05.050.

(4) For the 2011-2013 fiscal biennium, a collective bargaining agreement related to employee health care benefits negotiated between the employer and coalition pursuant to RCW 41.80.020(3) regarding the dollar amount expended on behalf of each employee must be a separate agreement for which the governor may request funds necessary to implement the agreement. If such an agreement is negotiated and funded by the legislature, this agreement will supersede any terms and conditions of an expired 2009-2011 biennial collective bargaining agreement under this chapter regarding health care benefits.

***Sec. 714.** RCW 47.64.280 and 2010 c 283 s 14 are each amended to read as follows:

(1) There is created the marine employees' commission. The governor shall appoint the commission with the consent of the senate. The commission

shall consist of three members: One member to be appointed from labor, one member from industry, and one member from the public who has significant knowledge of maritime affairs. The public member shall be chair of the commission. One of the original members shall be appointed for a term of three years, one for a term of four years, and one for a term of five years. Their successors shall be appointed for terms of five years each, except that any person chosen to fill a vacancy shall be appointed only for the unexpired term of the member whom he or she succeeds. Commission members are eligible for reappointment. Any member of the commission may be removed by the governor, upon notice and hearing, for neglect of duty or malfeasance in office, but for no other cause. Commission members are not eligible for state retirement under chapter 41.40 RCW by virtue of their service on the commission. Members of the commission shall be compensated in accordance with RCW 43.03.250 and shall receive reimbursement for official travel and other expenses at the same rate and on the same terms as provided for the transportation commission by RCW 47.01.061. The payments shall be made from the Puget Sound ferry operations account.

(2) The commission shall: (a) Adjust all complaints, grievances, and disputes between labor and management arising out of the operation of the ferry system as provided in RCW 47.64.150; (b) provide for impasse mediation as required in RCW 47.64.210; and (c) perform those duties required in RCW 47.64.300. However, through June 30, 2013, the commission's duties identified in this subsection are subject to the availability of amounts appropriated for these specific purposes.

(3)(a) In adjudicating all complaints, grievances, and disputes, the party claiming labor disputes shall, in writing, notify the commission, which shall make careful inquiry into the cause thereof and issue an order advising the ferry employee, or the ferry employee organization representing him or her, and the department of transportation, as to the decision of the commission.

(b) The parties are entitled to offer evidence relating to disputes at all hearings conducted by the commission. The orders and awards of the commission are final and binding upon any ferry employee or employees or their representative affected thereby and upon the department.

(c) The commission shall adopt rules of procedure under chapter 34.05 RCW.

(d) The commission has the authority to subpoena any ferry employee or employees, or their representatives, and any member or representative of the department, and any witnesses. The commission may require attendance of witnesses and the production of all pertinent records at any hearings held by the commission. The subpoenas of the commission are enforceable by order of any superior court in the state of Washington for the county within which the proceeding may be pending. The commission may hire staff as necessary, appoint consultants, enter into contracts, and conduct studies as reasonably necessary to carry out this chapter.

**Sec. 714 was vetoed. See message at end of chapter.*

Sec. 715. RCW 46.68.170 and 2009 c 470 s 701 are each amended to read as follows:

There is hereby created in the motor vehicle fund the RV account. All moneys hereafter deposited in said account shall be used by the department of

transportation for the construction, maintenance, and operation of recreational vehicle sanitary disposal systems at safety rest areas in accordance with the department's highway system plan as prescribed in chapter 47.06 RCW. During the ~~((2007-2009 and))~~ 2009-2011 and 2011-2013 fiscal biennia, the legislature may transfer from the RV account to the motor vehicle fund such amounts as reflect the excess fund balance of the RV account to accomplish the purposes identified in this section.

Sec. 716. RCW 46.68.370 and 2010 c 161 s 818 are each amended to read as follows:

The license plate technology account is created in the state treasury. All receipts collected under RCW 46.17.015 must be deposited into this account. Expenditures from this account must support current and future license plate technology and systems integration upgrades for both the department and correctional industries. Moneys in the account may be spent only after appropriation. Additionally, the moneys in this account may be used to reimburse the motor vehicle account for any appropriation made to implement the digital license plate system. During the ~~((2009-2011))~~ 2011-2013 fiscal biennium, the legislature may transfer from the license plate technology account to the highway safety account such amounts as reflect the excess fund balance of the license plate technology account.

Sec. 717. RCW 47.12.244 and 2009 c 470 s 709 are each amended to read as follows:

There is created the "advance right-of-way revolving fund" in the custody of the treasurer, into which the department is authorized to deposit directly and expend without appropriation:

(1) An initial deposit of ten million dollars from the motor vehicle fund included in the department of transportation's 1991-93 budget;

(2) All moneys received by the department as rental income from real properties that are not subject to federal aid reimbursement, except moneys received from rental of capital facilities properties as defined in chapter 47.13 RCW; and

(3) Any federal moneys available for acquisition of right-of-way for future construction under the provisions of section 108 of Title 23, United States Code.

During the ~~((2007-2009 and))~~ 2009-2011 and 2011-2013 fiscal biennia, the legislature may transfer from the advance right-of-way revolving fund to the motor vehicle account amounts as reflect the excess fund balance of the advance right-of-way revolving fund.

Sec. 718. RCW 46.68.060 and 2009 c 470 s 711 are each amended to read as follows:

There is hereby created in the state treasury a fund to be known as the highway safety fund to the credit of which shall be deposited all moneys directed by law to be deposited therein. This fund shall be used for carrying out the provisions of law relating to driver licensing, driver improvement, financial responsibility, cost of furnishing abstracts of driving records and maintaining such case records, and to carry out the purposes set forth in RCW 43.59.010. During the ~~((2007-2009 and))~~ 2009-2011 and 2011-2013 fiscal biennia, the legislature may transfer from the highway safety fund to the motor vehicle fund

and the multimodal transportation account such amounts as reflect the excess fund balance of the highway safety fund.

Sec. 719. RCW 46.68.220 and 2010 c 161 s 807 are each amended to read as follows:

The department of licensing services account is created in the motor vehicle fund. All receipts from service fees received under RCW 46.17.025 must be deposited into the account. Moneys in the account may be spent only after appropriation. Expenditures from the account may be used only for:

- (1) Information and service delivery systems for the department;
- (2) Reimbursement of county licensing activities; and
- (3) County auditor or other agent and subagent support including, but not limited to, the replacement of department-owned equipment in the possession of county auditors or other agents and subagents appointed by the director. During the ~~((2007-2009 and 2009-2011))~~ 2011-2013 fiscal ~~((biennia))~~ biennium, the legislature may transfer from the department of licensing services account such amounts as reflect the excess fund balance of the account.

Sec. 720. RCW 47.56.876 and 2010 c 248 s 5 are each amended to read as follows:

(1) A special account to be known as the state route number 520 civil penalties account is created in the state treasury. All state route number 520 bridge replacement and HOV program civil penalties generated from the nonpayment of tolls on the state route number 520 corridor must be deposited into the account, as provided under RCW 47.56.870(4)(b)(vii). Moneys in the account may be spent only after appropriation. Expenditures from the account may be used to fund any project within the state route number 520 bridge replacement and HOV program, including mitigation. During the 2011-2013 fiscal biennium, the legislature may transfer from the state route number 520 civil penalties account to the state route number 520 corridor account such amounts as reflect the excess fund balance of the state route number 520 civil penalties account. Funds transferred must be used solely for capital expenditures for the state route number 520 bridge replacement and HOV project (8BI1003).

(2) This section is contingent on the enactment by June 30, 2010, of either chapter 249, Laws of 2010 or chapter . . . (Substitute House Bill No. 2897), Laws of 2010, but if the enacted bill does not designate the department as the toll penalty adjudicating agency, this section is null and void.

Sec. 721. RCW 46.68.— and 2011 c ... (SHB 1897) s 1 are each amended to read as follows:

(1) The rural mobility grant program account is created in the state treasury. Moneys in the account may be spent only after appropriation. Expenditures from the account may be used only for the grants provided under section 2 ~~((of this act)), chapter ... (SHB 1897), Laws of 2011.~~

(2) Beginning September 2011, by the last day of September, December, March, and June of each year, the state treasurer shall transfer from the multimodal transportation account to the rural mobility grant program account two million five hundred thousand dollars.

(3) During the 2011-2013 fiscal biennium, the legislature may transfer from the rural mobility grant program account to the multimodal transportation

account such amounts as reflect the excess fund balance of the rural mobility grant program account.

**NEW SECTION. Sec. 722. 2010 c 161 s 1126 is repealed.*

*Sec. 722 was vetoed. See message at end of chapter.

**2009-2011 FISCAL BIENNIUM
TRANSPORTATION AGENCIES—OPERATING**

Sec. 801. 2010 c 247 s 205 (uncodified) is amended to read as follows:

FOR THE TRANSPORTATION COMMISSION

Motor Vehicle Account—State Appropriation	(\$2,328,000)
	<u>\$2,157,000</u>
Multimodal Transportation Account—State Appropriation	(\$112,000)
	<u>\$111,000</u>
TOTAL APPROPRIATION	(\$2,440,000)
	<u>\$2,268,000</u>

The appropriations in this section are subject to the following conditions and limitations:

(1) Pursuant to RCW 43.135.055, during the 2009-11 fiscal biennium, the transportation commission shall periodically review and, if necessary, modify the schedule of fares for the Washington state ferry system. The transportation commission may increase ferry fares, except no fare schedule modifications may be made prior to September 1, 2009. For purposes of this subsection, "modify" includes increases or decreases to the schedule.

(2) Pursuant to RCW 43.135.055, during the 2009-11 fiscal biennium, the transportation commission shall periodically review and, if necessary, modify a schedule of toll charges applicable to the state route number 167 high occupancy toll lane pilot project, as required under RCW 47.56.403. For purposes of this subsection, "modify" includes increases or decreases to the schedule.

(3) Pursuant to RCW 43.135.055, during the 2009-11 fiscal biennium, the transportation commission shall periodically review and, if necessary, modify the schedule of toll charges applicable to the Tacoma Narrows bridge, taking into consideration the recommendations of the citizen advisory committee created under RCW 47.46.091. For purposes of this subsection, "modify" includes increases or decreases to the schedule.

(4) The commission may name state ferry vessels consistent with its authority to name state transportation facilities under RCW 47.01.420. When naming or renaming state ferry vessels, the commission shall investigate selling the naming rights and shall make recommendations to the legislature regarding this option.

(5) \$350,000 of the motor vehicle account—state appropriation is provided solely for consultant support services to assist the commission in updating the statewide transportation plan. The updated plan must be submitted to the legislature by December 1, 2010.

(6) If the commission considers implementing a ferry fuel surcharge, it must first submit an analysis and business plan to the office of financial management and either the joint transportation committee or the transportation committees of the legislature. The commission may impose a ferry fuel surcharge effective

July 1, 2011. When implementing a ferry fuel surcharge, the commission must regard ferry fuel surcharges as fare policy changes and thus, ferry fuel surcharges should be included in all public procedures and processes currently used for fare pricing per RCW 47.60.290.

(7) The commission shall work with the department of transportation's economic partnerships (Program K) in conducting a best practices review of nontoll, public-private partnerships. The purpose of this review is to identify the policies and procedures that would be appropriate for application in Washington state. The commission must report its findings and recommendations, including draft legislation if warranted, to the house of representatives and senate transportation committees by January 2011.

(8) As part of its development of the statewide transportation plan, the commission shall review prioritized projects, including preservation and maintenance projects, from regional transportation and metropolitan planning organizations to identify statewide transportation needs. The review should include a brief description and status of each project along with the funding required and associated timeline from start to completion. The commission shall submit the review, along with recommendations, to the house of representatives and senate transportation committees by January 2011.

Sec. 802. 2010 c 247 s 207 (uncodified) is amended to read as follows:

FOR THE WASHINGTON STATE PATROL—FIELD OPERATIONS BUREAU

State Patrol Highway Account—State	
Appropriation.	((\$227,958,000))
	<u>\$224,558,000</u>
State Patrol Highway Account—Federal	
Appropriation.	\$10,903,000
State Patrol Highway Account—Private/Local	
Appropriation.	((\$867,000))
	<u>\$939,000</u>
TOTAL APPROPRIATION	((\$239,728,000))
	<u>\$236,400,000</u>

The appropriations in this section are subject to the following conditions and limitations:

(1) Washington state patrol officers engaged in off-duty uniformed employment providing traffic control services to the department of transportation or other state agencies may use state patrol vehicles for the purpose of that employment, subject to guidelines adopted by the chief of the Washington state patrol. The Washington state patrol shall be reimbursed for the use of the vehicle at the prevailing state employee rate for mileage and hours of usage, subject to guidelines developed by the chief of the Washington state patrol, and Cessna pilots funded from the state patrol highway account who are certified to fly the King Airs may pilot those aircraft for general fund purposes with the general fund reimbursing the state patrol highway account an hourly rate to cover the costs incurred during the flights since the aviation section will no longer be part of the Washington state patrol cost allocation system as of July 1, 2009.

(2) The patrol shall not account for or record locally provided DUI cost reimbursement payments as expenditure credits to the state patrol highway account. The patrol shall report the amount of expected locally provided DUI cost reimbursements to the office of financial management and transportation committees of the legislature by September 30th of each year.

(3) During the 2009-11 fiscal biennium, the Washington state patrol shall continue to perform traffic accident investigations on Thurston county roads, and shall work with the county to transition the traffic accident investigations on Thurston county roads to the county by July 1, 2011.

(4) Within existing resources, the Washington state patrol shall make every reasonable effort to increase the enrollment in each academy class that commences during the 2009-11 fiscal biennium to fifty-five cadets.

(5) The Washington state patrol shall collaborate with the Washington traffic safety commission to develop and implement the target zero trooper pilot program referenced in section 201 of this act.

(6) \$370,000 of the state patrol highway account—state appropriation is provided solely for costs associated with the pilot program described under section 218(2) of this act. The Washington state patrol may incur costs related only to the assignment of cadets and necessary computer equipment and to the reimbursement of the Washington state department of transportation for contract costs. The appropriation in this subsection must be funded from the portion of the automated traffic safety camera fines deposited into the state patrol highway account; however, if the fines deposited into the state patrol highway account from automated traffic safety camera infractions do not reach three hundred seventy thousand dollars, the department of transportation shall remit funds necessary to the Washington state patrol to ensure the completion of the pilot program. The Washington state patrol may not incur overtime as a result of this pilot program. The Washington state patrol shall not assign troopers to operate or deploy the pilot program equipment used in the roadway construction zones.

(7) If, as a result of lower than average rate of attrition among troopers, the Washington state patrol postpones the year 2011 training for trooper cadets beyond June 30, 2011, funding provided in section 207, chapter 470, Laws of 2009 for the class must be used to fund the salaries and benefits associated with the existing commissioned Washington state patrol troopers that are funded within the field operations bureau.

(8) \$2,832,000 of the state patrol highway account—state appropriation is provided solely for the aerial traffic enforcement program. The Washington state patrol shall evaluate the costs associated with aerial traffic highway enforcement to determine if the costs are accurately apportioned between the state patrol highway account and the general fund. It is the intent of the legislature that the state patrol highway account incurs costs that result only from highway enforcement activities and that the general fund incurs costs associated with the King Airs. The Washington state patrol shall report the results of the evaluation to the legislature by June 30, 2010.

(9) For the remainder of the 2009-11 fiscal biennium, the Washington state patrol shall continue to work with Island county on traffic accident investigations.

(10) \$3,601,000 of the state patrol highway account—state appropriation is provided solely for the costs associated with a basic trooper class.

(11) After May 1, 2011, unless specifically prohibited, the Washington state patrol may transfer state patrol highway account—state appropriations for the 2009-2011 fiscal biennium between operating programs after approval by the director of the office of financial management. However, the state patrol shall not transfer state moneys that are provided solely for a specified purpose.

Sec. 803. 2010 c 247 s 208 (uncodified) is amended to read as follows:

FOR THE WASHINGTON STATE PATROL—INVESTIGATIVE SERVICES BUREAU

State Patrol Highway Account—State Appropriation~~(\$1,648,000)~~
\$1,196,000

The appropriation in this section is subject to the following conditions and limitations: After May 1, 2011, unless specifically prohibited, the Washington state patrol may transfer state patrol highway account—state appropriations for the 2009-2011 fiscal biennium between operating programs after approval by the director of the office of financial management. However, the state patrol shall not transfer state moneys that are provided solely for a specified purpose.

Sec. 804. 2010 c 247 s 209 (uncodified) is amended to read as follows:

FOR THE WASHINGTON STATE PATROL—TECHNICAL SERVICES BUREAU

State Patrol Highway Account—State Appropriation~~(\$108,560,000)~~
\$105,488,000

State Patrol Highway Account—Private/Local
 Appropriation. \$2,510,000
 TOTAL APPROPRIATION~~(\$111,070,000)~~
\$107,998,000

The appropriations in this section are subject to the following conditions and limitations:

(1) The Washington state patrol shall work with the risk management division in the office of financial management in compiling the Washington state patrol's data for establishing the agency's risk management insurance premiums to the tort claims account. The office of financial management and the Washington state patrol shall submit a report to the legislative transportation committees by December 31st of each year on the number of claims, estimated claims to be paid, method of calculation, and the adjustment in the premium.

(2) ~~(\$10,425,000)~~ \$10,676,000 of the total appropriation is provided solely for automobile fuel in the 2009-11 fiscal biennium.

(3) \$7,421,000 of the total appropriation is provided solely for the purchase of pursuit vehicles.

(4) \$6,611,000 of the total appropriation is provided solely for vehicle repair and maintenance costs of vehicles used for highway purposes.

(5) \$1,724,000 of the total appropriation is provided solely for the purchase of mission vehicles used for highway purposes in the commercial vehicle and traffic investigation sections of the Washington state patrol.

(6) The Washington state patrol may submit information technology-related requests for funding only if the patrol has coordinated with the department of information services as required under section 601 of this act.

(7) ~~((\$345,000 of the state patrol highway account—state appropriation is provided solely for the implementation of Engrossed Substitute House Bill No. 1445 (domestic partners/Washington state patrol retirement system). If Engrossed Substitute House Bill No. 1445 is not enacted by June 30, 2009, the amount provided in this subsection shall lapse))~~ After May 1, 2011, unless specifically prohibited, the Washington state patrol may transfer state patrol highway account—state appropriations for the 2009-2011 fiscal biennium between operating programs after approval by the director of the office of financial management. However, the state patrol shall not transfer state moneys that are provided solely for a specified purpose.

Sec. 805. 2010 c 247 s 211 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF TRANSPORTATION—TOLL OPERATIONS AND MAINTENANCE—PROGRAM B

High Occupancy Toll Lanes Operations Account—State

Appropriation	(\$2,852,000)
	<u>\$2,732,000</u>
Motor Vehicle Account—State Appropriation	(\$575,000)
	<u>\$2,945,000</u>

Tacoma Narrows Toll Bridge Account—State

Appropriation	\$26,543,000
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State Route Number 520 Corridor Account—State

Appropriation	(\$28,000,000)
	<u>\$736,000</u>

State Route Number 520 Civil Penalties

Account—State Appropriation	(\$2,130,000)
	<u>\$130,000</u>

TOTAL APPROPRIATION	(\$60,100,000)
	<u>\$33,086,000</u>

The appropriations in this section are subject to the following conditions and limitations:

(1) The department shall make detailed quarterly expenditure reports available to the transportation commission and to the public on the department's web site using current department resources. The reports must include a summary of revenue generated by tolls on the Tacoma Narrows bridge and an itemized depiction of the use of that revenue.

(2) The department shall work with the office of financial management to review insurance coverage, deductibles, and limitations on tolled facilities to assure that the assets are well protected at a reasonable cost. Results from this review must be used to negotiate any future new or extended insurance agreements.

(3) ~~(\$28,000,000)~~ \$736,000 of the state route number 520 corridor account—state appropriation is provided solely for the costs directly related to tolling the state route number 520 floating bridge. ~~((Of this amount, \$8,000,000 must be retained in unallotted status, and may only be released by the office of financial management after consultation with the joint transportation committee.))~~

(4) The department shall consider transitioning to all electronic tolling on the Tacoma Narrows bridge toll facility and discontinuing a cash toll option.

(5) (~~(\$2,130,000)~~) \$130,000 of the state route number 520 civil penalties account—state appropriation and \$140,000 of the Tacoma Narrows toll bridge account—state appropriation are provided solely for expenditures related to the toll adjudication process. The amount provided in this subsection is contingent on the enactment by June 30, 2010, of either Engrossed Substitute Senate Bill No. 6499 or Substitute House Bill No. 2897; however, if the enacted bill does not specify the department as the toll penalty adjudicating agency, the amounts provided in this subsection lapse.

(6) The department shall review, and revise where appropriate, current signage and ingress/egress locations on the state route number 167 high occupancy toll lanes pilot project. The department shall continue to work with the Washington state patrol on educating the public on the rules of the road related to crossing a double white line. The department shall continue to monitor the performance of the high occupancy toll lanes to ensure that driving conditions for high occupancy vehicles that share these lanes are not significantly changed.

(7) Up to \$2,435,000 of the motor vehicle account—state appropriation is provided solely as an expenditure reserve in the event that toll revenue collection on the state route number 520 floating bridge is delayed beyond April 2, 2011. This appropriation must remain in unallotted status and may be released by the office of financial management only to cover shortfalls in the state route number 520 corridor account due to delayed toll revenue collection in order to support the activities funded in subsection (3) of this section. Repayment from the state route number 520 corridor account to the motor vehicle account regarding this appropriation is assumed in the 2011-2013 biennial transportation budget.

Sec. 806. 2010 c 247 s 212 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF TRANSPORTATION—INFORMATION TECHNOLOGY—PROGRAM C

Transportation Partnership Account—State	
Appropriation	(\$2,675,000)
	<u>\$2,425,000</u>
Motor Vehicle Account—State Appropriation	(\$68,650,000)
	<u>\$67,546,000</u>
Motor Vehicle Account—Federal Appropriation	\$240,000
Multimodal Transportation Account—State	
Appropriation	\$363,000
Transportation 2003 Account (Nickel Account)—State	
Appropriation	(\$2,676,000)
	<u>\$2,426,000</u>
TOTAL APPROPRIATION	(\$74,604,000)
	<u>\$73,000,000</u>

The appropriations in this section are subject to the following conditions and limitations:

(1) The department shall consult with the office of financial management and the department of information services to: (a) Ensure that the department's current and future system development is consistent with the overall direction of other key state systems; and (b) when possible, use or develop common statewide information systems to encourage coordination and integration of

information used by the department and other state agencies and to avoid duplication.

(2) (~~(\$1,216,000)~~) \$966,000 of the transportation partnership account—state appropriation and (~~(\$1,216,000)~~) \$966,000 of the transportation 2003 account (nickel account)—state appropriation are provided solely for the department to develop a project management and reporting system which is a collection of integrated tools for capital construction project managers to use to perform all the necessary tasks associated with project management. The department shall integrate commercial off-the-shelf software with existing department systems and enhanced approaches to data management to provide web-based access for multi-level reporting and improved business work flows and reporting. On a quarterly basis, the department shall report to the office of financial management and the transportation committees of the legislature on the status of the development and integration of the system. At a minimum, the reports shall indicate the status of the work as it compares to the work plan, any discrepancies, and proposed adjustments necessary to bring the project back on schedule or budget if necessary.

(3) The department may submit information technology-related requests for funding only if the department has coordinated with the department of information services as required under section 601 of this act.

(4) \$573,000 of the motor vehicle account—state appropriation is provided solely for the department to maintain the investment in the electronic fare system at Washington's ferry terminals. Investment in the electronic fare system must include the following: Replacement of critical hardware components that are at risk of failure; implementation of software to allow ORCA cards to be used for vehicles; repair of the turnstiles to ensure that the turnstiles properly record ORCA credit and debit card charges; and dedication of a communication line for transmission of ORCA data to the clearinghouse.

Sec. 807. 2010 c 247 s 213 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF TRANSPORTATION—FACILITY MAINTENANCE, OPERATIONS AND CONSTRUCTION—PROGRAM D—OPERATING

Motor Vehicle Account—State Appropriation(~~(\$25,292,000)~~)
\$24,639,000

Sec. 808. 2010 c 247 s 214 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF TRANSPORTATION—AVIATION—PROGRAM F

Aeronautics Account—State Appropriation(~~(\$5,960,000)~~)
\$5,761,000
Aeronautics Account—Federal Appropriation \$2,150,000
TOTAL APPROPRIATION(~~(\$8,110,000)~~)
\$7,911,000

The appropriations in this section are subject to the following conditions and limitations:

(1) \$50,000 of the aeronautics account—state appropriation is a reappropriation provided solely to pay any outstanding obligations of the aviation planning council, which expires July 1, 2009.

(2) \$150,000 of the aeronautics account—state appropriation is a reappropriation provided solely to complete runway preservation projects.

(3) Within the amounts provided in this section, the department shall develop guidelines setting forth consultation procedures and a process to assist counties and cities to identify land uses that may be incompatible with airports and aircraft operations, and to encourage and facilitate the adoption and implementation of comprehensive plan policies and development regulations consistent with RCW 36.70.547 and 36.70A.510.

Sec. 809. 2010 c 247 s 215 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF TRANSPORTATION—PROGRAM DELIVERY MANAGEMENT AND SUPPORT—PROGRAM H

Motor Vehicle Account—State Appropriation	(\$49,331,000)
	<u>\$45,219,000</u>
Motor Vehicle Account—Federal Appropriation	\$500,000
Multimodal Transportation Account—State Appropriation	\$250,000
TOTAL APPROPRIATION	(\$50,081,000)
	<u>\$45,969,000</u>

The appropriations in this section are subject to the following conditions and limitations:

(1) The department shall develop a plan for all current and future surplus property parcels based on the recommendations from the surplus property legislative work group that were presented to the senate transportation committee on February 26, 2009. The plan must include, at a minimum, strategies for maximizing the number of parcels sold, a schedule that optimizes proceeds, a recommended cash discount, a plan to report to the joint transportation committee, a recommendation for regional incentives, and a recommendation for equivalent value exchanges. This plan must accompany the department's 2010 supplemental budget request. If the department determines that all or a portion of real property or an interest in real property that was acquired through condemnation within the previous ten years is no longer necessary for a transportation purpose, the former owner has a right of repurchase as described in this subsection. For the purposes of this subsection, "former owner" means the person or entity from whom the department acquired title. At least ninety days prior to the date on which the property is intended to be sold by the department, the department must mail notice of the planned sale to the former owner of the property at the former owner's last known address or to a forwarding address if that owner has provided the department with a forwarding address. If the former owner of the property's last known address, or forwarding address if a forwarding address has been provided, is no longer the former owner of the property's address, the right of repurchase is extinguished. If the former owner notifies the department within thirty days of the date of the notice that the former owner intends to repurchase the property, the department shall proceed with the sale of the property to the former owner for fair market value and shall not list the property for sale to other owners. If the former owner does not provide timely written notice to the department of the intent to exercise a repurchase right, or if the sale to the former owner is not completed within seven months of the date of notice that the former owner intends to repurchase the

property, the right of repurchase is extinguished. By December 1, 2010, the department shall report to the legislative transportation committees on the individuals and entities eligible to receive surplus property provided in RCW 47.12.063 to determine the frequency with which the department transfers property to those individuals and entities and the implications to the department. It is the intent of the legislature that the list of individuals and entities eligible to receive surplus property be periodically evaluated to determine whether the list is appropriate and provides utility to the department.

(2) The legislature recognizes that the Dryden pit site (WSDOT Inventory Control (IC) No. 2-04-00103) is unused state-owned real property under the jurisdiction of the department of transportation, and that the public would benefit significantly from the complete enjoyment of the natural scenic beauty and recreational opportunities available at the site. Therefore, pursuant to RCW 47.12.080, the legislature declares that transferring the property to the department of fish and wildlife for recreational use and fish and wildlife restoration efforts is consistent with the public interest in order to preserve the area for the use of the public and the betterment of the natural environment. The department of transportation shall work with the department of fish and wildlife, and shall transfer and convey the Dryden pit site to the department of fish and wildlife as is for an adjusted fair market value reflecting site conditions, the proceeds of which must be deposited in the motor vehicle fund. The department of transportation is not responsible for any costs associated with the cleanup or transfer of this property. By July 1, 2010, and annually thereafter until the entire Dryden pit property has been transferred, the department shall submit a status report regarding the transaction to the chairs of the legislative transportation committees.

(3) \$3,175,000 of the motor vehicle account—state appropriation is provided solely for the department's compliance with its national pollution discharge elimination system permit.

(4) The department shall provide updated information on six project milestones for all active projects, funded in part or in whole with 2005 transportation partnership account funds or 2003 nickel account funds, on a quarterly basis in the transportation executive information system (TEIS). The department shall also provide updated information on six project milestones for projects, funded with preexisting funds and that are agreed to by the legislature, office of financial management, and the department, on a quarterly basis in TEIS.

Sec. 810. 2010 c 247 s 216 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF TRANSPORTATION—ECONOMIC PARTNERSHIPS—PROGRAM K

Motor Vehicle Account—State Appropriation	(\$673,000)
	<u>\$643,000</u>
Multimodal Transportation Account—State	
Appropriation	(\$200,000)
	<u>\$90,000</u>
TOTAL APPROPRIATION	(\$873,000)
	<u>\$733,000</u>

The appropriations in this section are subject to the following conditions and limitations:

(1) \$200,000 of the multimodal transportation account—state appropriation is provided solely for the department to develop and implement public private partnerships at high priority terminals as identified in the January 12, 2009, final report on joint development opportunities at Washington state ferries terminals. The department shall first consider a mutually beneficial agreement at the Edmonds terminal.

(2) \$50,000 of the motor vehicle account—state appropriation is provided solely for the department to investigate the potential to generate revenue from web site sponsorships and similar ventures and, if feasible, pursue partnership opportunities.

(3) ~~(\$75,000)~~ \$45,000 of the motor vehicle account—state appropriation is provided solely for the implementation of a pilot project allowing advertisements and sponsorships on select web pages. The pilot project must be organized under the partnership model described in the department's web site monetizing feasibility study, which was prepared under subsection (2) of this section. Once operational, the pilot project must operate for at least twelve consecutive months. After twelve months of continuous operation, the department shall provide a report with recommendations on whether to continue project operations to the office of financial management and the chairs of the transportation committees. The department may end the pilot project after less than twelve consecutive months of operation if insufficient bids or proposals are received from potential sponsors or advertisers. For the purpose of this subsection, if a consultant contract is warranted, the consultant contract is deemed a revenue generation activity as that term is construed in section 602(2), chapter 3, Laws of 2010.

Sec. 811. 2010 c 247 s 217 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF TRANSPORTATION—HIGHWAY MAINTENANCE—PROGRAM M

Motor Vehicle Account—State Appropriation	(\$347,645,000)
	<u>\$349,778,000</u>
Motor Vehicle Account—Federal Appropriation	\$7,000,000
Motor Vehicle Account—Private/Local Appropriation	(\$5,797,000)
	<u>\$7,997,000</u>
TOTAL APPROPRIATION	(\$360,442,000)
	<u>\$364,775,000</u>

The appropriations in this section are subject to the following conditions and limitations:

(1) If portions of the appropriations in this section are required to fund maintenance work resulting from major disasters not covered by federal emergency funds such as fire, flooding, snow, and major slides, supplemental appropriations must be requested to restore state funding for ongoing maintenance activities.

(2) The department shall request an unanticipated receipt for any federal moneys received for emergency snow and ice removal and shall place an equal amount of the motor vehicle account—state into unallotted status. This

exchange shall not affect the amount of funding available for snow and ice removal.

(3) The department shall request an unanticipated receipt for any private or local funds received for reimbursements of third party damages that are in excess of the motor vehicle account—private/local appropriation.

(4) \$7,000,000 of the motor vehicle account—federal appropriation is for unanticipated federal funds that may be received during the 2009-11 fiscal biennium. Upon receipt of the funds, the department shall provide a report on the use of the funds to the transportation committees of the legislature and the office of financial management.

(5) The department may incur costs related to the maintenance of the decorative lights on the Tacoma Narrows bridge only if:

(a) The nonprofit corporation, narrows bridge lights organization, maintains an account balance sufficient to reimburse the department for all costs; and

(b) The department is reimbursed from the narrows bridge lights organization within three months from the date any maintenance work is performed. If the narrows bridge lights organization is unable to reimburse the department for any future costs incurred, the lights must be removed at the expense of the narrows bridge lights organization subject to the terms of the contract.

(6) The department may work with the department of corrections to utilize corrections crews for the purposes of litter pickup on state highways.

(7) \$650,000 of the motor vehicle account—state appropriation is provided solely for increased asphalt costs.

(8) \$16,800,000 of the motor vehicle account—state appropriation is provided solely for the high priority maintenance backlog. Addressing the maintenance backlog must result in increased levels of service.

(9) \$750,000 of the motor vehicle account—state appropriation is provided solely for the department's compliance with its national pollution discharge elimination system permit.

(10) \$317,000 of the motor vehicle account—state appropriation is provided solely for maintaining a new active traffic management system on Interstate 5, Interstate 90, and SR 520. The department shall track the costs associated with these systems on a corridor basis and report to the legislative transportation committees on the cost and benefits of the system.

(11) \$286,000 of the motor vehicle account—state appropriation is provided solely for storm water assessment fees charged by local governments.

(12) \$835,000 of the motor vehicle account—state appropriation is provided solely for disaster-related maintenance expenditures that the department has incurred since the 2010 supplemental transportation budget on state route number 97A and state route number 401.

Sec. 812. 2010 c 247 s 218 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF TRANSPORTATION—TRAFFIC OPERATIONS—PROGRAM Q—OPERATING

Motor Vehicle Account—State Appropriation	(\$51,128,000)
	<u>\$49,764,000</u>
Motor Vehicle Account—Federal Appropriation	\$2,050,000
Motor Vehicle Account—Private/Local Appropriation	\$127,000

TOTAL APPROPRIATION(~~(\$53,305,000)~~)
\$51,941,000

The appropriations in this section are subject to the following conditions and limitations:

(1) \$2,400,000 of the motor vehicle account—state appropriation is provided solely for low-cost enhancements. The department shall give priority to low-cost enhancement projects that improve safety or provide congestion relief. The department shall prioritize low-cost enhancement projects on a statewide rather than regional basis. By September 1st of each even-numbered year, the department shall provide a report to the legislature listing all low-cost enhancement projects prioritized on a statewide rather than regional basis completed in the prior year.

(2) The department, in consultation with the Washington state patrol, may continue a pilot program for the patrol to issue infractions based on information from automated traffic safety cameras in roadway construction zones on state highways. For the purpose of this pilot program, during the 2009-11 fiscal biennium, a roadway construction zone includes areas where public employees or private contractors are not present but where a driving condition exists that would make it unsafe to drive at higher speeds, such as, when the department is redirecting or realigning lanes on any public roadway pursuant to ongoing construction. The department shall use the following guidelines to administer the program:

(a) Automated traffic safety cameras may only take pictures of the vehicle and vehicle license plate and only while an infraction is occurring. The picture must not reveal the face of the driver or of passengers in the vehicle;

(b) The department shall plainly mark the locations where the automated traffic safety cameras are used by placing signs on locations that clearly indicate to a driver that he or she is entering a roadway construction zone where traffic laws are enforced by an automated traffic safety camera;

(c) Notices of infractions must be mailed to the registered owner of a vehicle within fourteen days of the infraction occurring;

(d) The owner of the vehicle is not responsible for the violation if the owner of the vehicle, within fourteen days of receiving notification of the violation, mails to the patrol, a declaration under penalty of perjury, stating that the vehicle involved was, at the time, stolen or in the care, custody, or control of some person other than the registered owner, or any other extenuating circumstances;

(e) For purposes of the 2009-11 fiscal biennium pilot program, infractions detected through the use of automated traffic safety cameras are not part of the registered owner's driving record under RCW 46.52.101 and 46.52.120. Additionally, infractions generated by the use of automated traffic safety cameras must be processed in the same manner as parking infractions for the purposes of RCW 3.50.100, 35.20.220, 46.16.216, and 46.20.270(3). However, the amount of the fine issued under this subsection (2) for an infraction generated through the use of an automated traffic safety camera is one hundred thirty-seven dollars. The court shall remit thirty-two dollars of the fine to the state treasurer for deposit into the state patrol highway account; and

(f) If a notice of infraction is sent to the registered owner and the registered owner is a rental car business, the infraction must be dismissed against the

business if it mails to the patrol, within fourteen days of receiving the notice, a declaration under penalty of perjury of the name and known mailing address of the individual driving or renting the vehicle when the infraction occurred. If the business is unable to determine who was driving or renting the vehicle at the time the infraction occurred, the business must sign a declaration under penalty of perjury to this effect. The declaration must be mailed to the patrol within fourteen days of receiving the notice of traffic infraction. Timely mailing of this declaration to the issuing agency relieves a rental car business of any liability under this section for the notice of infraction. A declaration form suitable for this purpose must be included with each automated traffic infraction notice issued, along with instructions for its completion and use.

(3) The department shall implement a pilot project to evaluate the benefits of using electronic traffic flagging devices. Electronic traffic flagging devices must be tested by the department at multiple sites and reviewed for efficiency and safety. The department shall report to the transportation committees of the legislature on the best use and practices involving electronic traffic flagging devices, including recommendations for future use, by June 30, 2010.

(4) \$173,000 of the motor vehicle account—state appropriation is provided solely for the department to continue a pilot tow truck incentive program and to expand the program to other areas of the state. The department may provide incentive payments to towing companies that meet clearance goals on accidents that involve heavy trucks. The department shall report to the office of financial management and the transportation committees of the legislature on the effectiveness of the clearance goals and submit recommendations to improve the pilot program with the department's 2010 supplemental omnibus transportation appropriations act submittal. The tow truck incentive program may continue to provide incentives for quick clearance of traffic incidents involving large vehicles. The department shall make recommendations as part of its biennial budget proposal for expanding the use of the incentive program.

(5) \$92,000 of the motor vehicle account—state appropriation is provided solely for operating a new active traffic management system on Interstate 5, Interstate 90, and SR 520. The department shall track the costs associated with these systems on a corridor basis and report to the legislative transportation committees on the cost and benefits of the system.

(6) To the extent practicable, the department shall synchronize traffic lights on state route number 161 in the vicinity of Puyallup.

(7) During the 2009-11 biennium, the department shall implement a pilot program that expands private transportation providers' access to high occupancy vehicle lanes. Under the pilot program, when the department reserves a portion of a highway based on the number of passengers in a vehicle, the following vehicles must be authorized to use the reserved portion of the highway if the vehicle has the capacity to carry eight or more passengers, regardless of the number of passengers in the vehicle: (a) Auto transportation company vehicles regulated under chapter 81.68 RCW; (b) passenger charter carrier vehicles regulated under chapter 81.70 RCW, except marked or unmarked stretch limousines and stretch sport utility vehicles as defined under department rules; (c) private nonprofit transportation provider vehicles regulated under chapter 81.66 RCW; and (d) private employer transportation service vehicles. For purposes of this subsection, "private employer transportation service" means

regularly scheduled, fixed-route transportation service that is offered by an employer for the benefit of its employees. By June 30, 2011, the department shall report to the transportation committees of the legislature on whether private transportation provider use of high occupancy vehicle lanes under the pilot program reduces the speeds of high occupancy vehicle lanes. Nothing in this subsection is intended to authorize the conversion of public infrastructure to private, for-profit purposes or to otherwise create an entitlement or other claim by private users to public infrastructure.

Sec. 813. 2010 c 247 s 219 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF TRANSPORTATION— TRANSPORTATION MANAGEMENT AND SUPPORT—PROGRAM S	
Motor Vehicle Account—State Appropriation	(\$28,468,000)
	<u>\$27,968,000</u>
Motor Vehicle Account—Federal Appropriation	\$30,000
Multimodal Transportation Account—State Appropriation.	\$971,000
State Route Number 520 Corridor Account—State Appropriation.	\$264,000
TOTAL APPROPRIATION	(\$29,733,000)
	<u>\$29,233,000</u>

The appropriations in this section are subject to the following conditions and limitations: \$264,000 of the state route number 520 corridor account—state appropriation is provided solely for the costs directly related to tolling the state route number 520 floating bridge. This amount must be retained in unallotted status, and may only be released by the office of financial management after consultation with the joint transportation committee.

Sec. 814. 2010 c 247 s 220 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF TRANSPORTATION— TRANSPORTATION PLANNING, DATA, AND RESEARCH— PROGRAM T	
Motor Vehicle Account—State Appropriation	(\$25,955,000)
	<u>\$25,384,000</u>
Motor Vehicle Account—Federal Appropriation	\$22,002,000
Multimodal Transportation Account—State Appropriation.	\$1,090,000
Multimodal Transportation Account—Federal Appropriation.	\$3,287,000
Multimodal Transportation Account—Private/Local Appropriation.	\$99,000
TOTAL APPROPRIATION	(\$52,433,000)
	<u>\$51,862,000</u>

The appropriations in this section are subject to the following conditions and limitations:

- (1) \$150,000 of the motor vehicle account—federal appropriation is provided solely for the costs to develop an electronic map-based computer application that will enable law enforcement officers and others to more easily locate collisions and other incidents in the field.

(2) \$400,000 of the multimodal transportation account—state appropriation is provided solely for a diesel multiple unit feasibility and initial planning study. The study must evaluate potential service on the Stampede Pass line from Maple Valley to Auburn via Covington. The study must evaluate the potential demand for service, the business model and capital needs for launching and running the line, and the need for improvements in switching, signaling, and tracking. The study must also consider the interconnectivity benefits of, and potential for, future Amtrak Cascades stops in south King county and north Pierce county. As part of its consideration, the department shall conduct a thorough market analysis of the potential for adding or changing stops on the Amtrak Cascades route. The department shall amend the scope, schedule, and budget of the current study process to accommodate the market analysis. A report on the study must be submitted to the legislature by September 30, 2010.

(3) \$365,000 of the motor vehicle account—state appropriation and \$81,000 of the motor vehicle account—federal appropriation are provided solely for the development of a freight database to help guide freight investment decisions and track project effectiveness. The database must be based on truck movement tracked through geographic information system technology. For the remainder of the biennium, the department may expand data collection to any highways that have high truck volumes. TransNow shall contribute additional federal funds that are not appropriated in this act. The department shall work with the freight mobility strategic investment board to implement this database.

(4) \$2,000,000 of the motor vehicle account—state appropriation is provided solely for scoping unfunded state highway projects to ensure that a well-vetted project list is available for future program funding discussions.

(a) It is the intent of the legislature that the funding provided in this subsection support the development of transportation solutions that benefit all state residents, including addressing the impacts of traffic diversion from tolled facilities. It is further the intent of the legislature that the buying power of future revenue packages is maximized.

(b) Scoping work must be consistent with achieving transportation system policy goals as stated in RCW 47.04.280.

(c) The department shall provide cost-effective design solutions that achieve the desired functional outcomes. This may be achieved by providing one or more design alternatives for legislative consideration, based on a reasonable range of assumptions about traffic volume and speeds.

(d) Prior to the commencement of the 2011 legislative session, the department shall provide a report to the legislative transportation committees and the office of financial management that includes estimated costs and construction time frames.

(5) (~~(\$150,000)~~) \$80,000 of the motor vehicle account—state appropriation is provided solely for a corridor study of state route number 516 from the eastern border of Maple Valley to state route number 167 to determine whether improvements are needed and the costs of any needed improvements.

(6) \$500,000 of the multimodal transportation account—federal appropriation is provided solely for continued support of the International Mobility and Trade Corridor project and for the department to work with the Whatcom council of governments to examine potential improvements to

international border freight and passenger rail movement and the use of diesel multiple units.

(7) \$80,000 of the motor vehicle account—state appropriation is provided solely to continue existing work regarding feasibility of a new interchange between Rochester and Harrison Avenue on Interstate 5.

Sec. 815. 2010 c 247 s 221 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF TRANSPORTATION—PUBLIC TRANSPORTATION—PROGRAM V

Regional Mobility Grant Program Account—State

Appropriation.((~~\$65,274,000~~))
\$56,332,000

Multimodal Transportation Account—State

Appropriation.((~~\$65,667,000~~))
\$65,547,000

Multimodal Transportation Account—Federal

Appropriation. \$2,573,000

Multimodal Transportation Account—Private/Local

Appropriation. \$1,025,000

TOTAL APPROPRIATION((~~\$134,539,000~~))
\$125,477,000

The appropriations in this section are subject to the following conditions and limitations:

(1) \$25,000,000 of the multimodal transportation account—state appropriation is provided solely for a grant program for special needs transportation provided by transit agencies and nonprofit providers of transportation.

(a) \$5,500,000 of the amount provided in this subsection is provided solely for grants to nonprofit providers of special needs transportation. Grants for nonprofit providers shall be based on need, including the availability of other providers of service in the area, efforts to coordinate trips among providers and riders, and the cost effectiveness of trips provided.

(b) \$19,500,000 of the amount provided in this subsection is provided solely for grants to transit agencies to transport persons with special transportation needs. To receive a grant, the transit agency must have a maintenance of effort for special needs transportation that is no less than the previous year's maintenance of effort for special needs transportation. Grants for transit agencies shall be prorated based on the amount expended for demand response service and route deviated service in calendar year 2007 as reported in the "Summary of Public Transportation - 2007" published by the department of transportation. No transit agency may receive more than thirty percent of these distributions.

(2) Funds are provided for the rural mobility grant program as follows:

(a) \$8,500,000 of the multimodal transportation account—state appropriation is provided solely for grants for those transit systems serving small cities and rural areas as identified in the "Summary of Public Transportation - 2007" published by the department of transportation. Noncompetitive grants must be distributed to the transit systems serving small cities and rural areas in a manner similar to past disparity equalization programs.

(b) \$8,500,000 of the multimodal transportation account—state appropriation is provided solely to providers of rural mobility service in areas not served or underserved by transit agencies through a competitive grant process.

(3) \$7,000,000 of the multimodal transportation account—state appropriation is provided solely for a vanpool grant program for: (a) Public transit agencies to add vanpools or replace vans; and (b) incentives for employers to increase employee vanpool use. The grant program for public transit agencies will cover capital costs only; operating costs for public transit agencies are not eligible for funding under this grant program. Additional employees may not be hired from the funds provided in this section for the vanpool grant program, and supplanting of transit funds currently funding vanpools is not allowed. The department shall encourage grant applicants and recipients to leverage funds other than state funds. At least \$1,600,000 of this amount must be used for vanpool grants in congested corridors.

(4) (~~(\$400,000)~~) \$280,000 of the multimodal transportation account—state appropriation is provided solely for a grant for a flexible carpooling pilot project program to be administered and monitored by the department. Funds are appropriated for one time only. The pilot project program must: Test and implement at least one flexible carpooling system in a high-volume commuter area that enables carpooling without prearrangement; utilize technologies that, among other things, allow for transfer of ride credits between participants; and be a membership system that involves prescreening to ensure safety of the participants. The program must include a pilot project that targets commuter traffic on the state route number 520 bridge. The department shall submit to the legislature by December 2010 a report on the program results and any recommendations for additional flexible carpooling programs.

(5) \$3,318,000 of the multimodal transportation account—state appropriation and (~~(\$21,248,000)~~) \$17,778,000 of the regional mobility grant program account—state appropriation are reappropriated and provided solely for the regional mobility grant projects identified on the LEAP Transportation Document 2007-B, as developed April 20, 2007, or the LEAP Transportation Document 2006-D, as developed March 8, 2006. The department shall continue to review all projects receiving grant awards under this program at least semiannually to determine whether the projects are making satisfactory progress. The department shall promptly close out grants when projects have been completed, and any remaining funds available to the office of transit mobility must be used only to fund projects on the LEAP Transportation Document 2006-D, as developed March 8, 2006; the LEAP Transportation Document 2007-B, as developed April 20, 2007; or the LEAP Transportation Document 2009-B, as developed April 24, 2009. It is the intent of the legislature to appropriate funds through the regional mobility grant program only for projects that will be completed on schedule. However, the Chuckanut park and ride project (101100G) is recognized as a crucial investment in the transportation system. For this reason, the department shall not close out the grant for the Chuckanut park and ride project until Skagit transit has exhausted all other pending opportunities for federal and local funds. If additional funds cannot be secured, the department shall consider this project a priority in the 2011-13 grant

process. The department shall make every effort to advance the Chuckanut park and ride project within existing resources.

(6) (~~(\$33,429,000)~~) \$32,882,000 of the regional mobility grant program account—state appropriation is provided solely for the regional mobility grant projects identified in LEAP Transportation Document 2009-B, as developed April 24, 2009. The department shall review all projects receiving grant awards under this program at least semiannually to determine whether the projects are making satisfactory progress. Any project that has been awarded funds, but does not report activity on the project within one year of the grant award, must be reviewed by the department to determine whether the grant should be terminated. The department shall promptly close out grants when projects have been completed, and any remaining funds available to the office of transit mobility must be used only to fund projects identified in LEAP Transportation Document 2009-B, as developed April 24, 2009. The department shall provide annual status reports on December 15, 2009, and December 15, 2010, to the office of financial management and the transportation committees of the legislature regarding the projects receiving the grants. It is the intent of the legislature to appropriate funds through the regional mobility grant program only for projects that will be completed on schedule.

(7) (~~(\$10,596,768)~~) \$5,671,768 of the regional mobility grant program account—state appropriation must be obligated no later than December 31, 2010, and is provided solely for the following recommended contingency regional mobility grant projects identified in the 2009-11 omnibus transportation appropriations act, LEAP Transportation Document 2009-B, as developed April 24, 2009, as follows:

(a) (~~(\$4,000,000)~~) \$975,000 is provided solely for the Rainier/Jackson transit priority corridor improvements;

(b) (~~(\$2,100,000)~~) \$200,000 is provided solely for the state route number 522 west city limits to Northeast 180th stage 2A (91st Ave NE to west of 96th Ave NE) project; and

(c) \$4,496,768 is provided solely for the sound transit express bus expansion - Snohomish to King county project.

(8) \$300,000 of the multimodal transportation account—state appropriation is provided solely for a transportation demand management program, developed by the Whatcom council of governments, to further reduce drive-alone trips and maximize the use of sustainable transportation choices. The community-based program must focus on all trips, not only commute trips, by providing education, assistance, and incentives to four target audiences: (a) Large work sites; (b) employees of businesses in downtown areas; (c) school children; and (d) residents of Bellingham.

(9) \$130,000 of the multimodal transportation account—state appropriation is provided solely to the department to distribute to support Engrossed Substitute House Bill No. 2072 (special needs transportation).

(a) \$80,000 of the amount provided in this subsection is provided solely for implementation of the work group related to federal requirements in section 1, chapter . . . (Engrossed Substitute House Bill No. 2072), Laws of 2009.

(b) \$50,000 of the amount provided in this subsection is provided solely to support the pilot project to be developed or implemented by the local coordinating coalition comprised of a single county, described in sections 9, 10,

and 11, chapter . . . (Engrossed Substitute House Bill No. 2072), Laws of 2009. The department shall assist the local coordinating coalition to seek funding sufficient to fully fund the pilot project from a variety of sources including, but not limited to, the regional transit authority serving the county, the regional transportation planning organization serving the county, and other appropriate state and federal agencies and grants. Development or implementation of the pilot project is contingent on securing funding sufficient to fully fund the pilot project.

(c) If Engrossed Substitute House Bill No. 2072 is not enacted by June 30, 2009, the amount provided in this subsection (9) lapses. If Engrossed Substitute House Bill No. 2072 is enacted by June 30, 2009, but a commitment from other sources to fully fund the pilot project described in (b) of this subsection has not been obtained by September 30, 2009, the amount provided in (b) of this subsection lapses.

(10) Funds provided for the commute trip reduction program may also be used for the growth and transportation efficiency center program.

(11) An affected urban growth area that has not previously implemented a commute trip reduction program is exempt from the requirements in RCW 70.94.527 if a solution to address the state highway deficiency that exceeds the person hours of delay threshold has been funded and is in progress during the 2009-11 fiscal biennium.

(12) \$2,309,000 of the multimodal transportation account—state appropriation is provided solely for the tri-county connection service for Island, Skagit, and Whatcom transit agencies.

Sec. 816. 2010 c 247 s 222 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF TRANSPORTATION—MARINE—PROGRAM X

Puget Sound Ferry Operations Account—State

Appropriation.	((\$425,922,000))
	<u>\$446,961,000</u>

The appropriation in this section is subject to the following conditions and limitations:

(1) (~~(\$78,754,952)~~) \$97,053,000 of the Puget Sound ferry operations account—state appropriation is provided solely for auto ferry vessel operating fuel in the 2009-11 fiscal biennium. This appropriation is contingent upon the enactment of sections 716 and 701 of this act. All fuel purchased by the Washington state ferries at Harbor Island truck terminal for the operation of the Washington state ferries diesel powered vessels must be a minimum of five percent biodiesel blend so long as the per gallon price of diesel containing a five percent biodiesel blend level does not exceed the per gallon price of diesel by more than five percent.

(2) To protect the waters of Puget Sound, the department shall investigate nontoxic alternatives to fuel additives and other commercial products that are used to operate, maintain, and preserve vessels.

(3) If, after the department's review of fares and pricing policies, the department proposes a fuel surcharge, the department must evaluate other cost savings and fuel price stabilization strategies that would be implemented before the imposition of a fuel surcharge. The department shall report to the legislature

and transportation commission on its progress of implementing new fuel forecasting and budgeting practices, price hedging contracts for fuel purchases, and fuel conservation strategies by November 30, 2010.

(4) The department shall strive to significantly reduce the number of injuries suffered by Washington state ferries employees. By December 15, 2009, the department shall submit to the office of financial management and the transportation committees of the legislature its implementation plan to reduce such injuries.

(5) The department shall continue to provide service to Sidney, British Columbia. The department may place a Sidney terminal departure surcharge on fares for out of state residents riding the Washington state ferry route that runs between Anacortes, Washington and Sidney, British Columbia, if the cost for landing/license fee, taxes, and additional amounts charged for docking are in excess of \$280,000 CDN. The surcharge must be limited to recovering amounts above \$280,000 CDN.

(6) The department shall analyze operational solutions to enhance service on the Bremerton to Seattle ferry run. The Washington state ferries shall report its analysis to the transportation committees of the legislature by December 1, 2009.

(7) The office of financial management budget instructions require agencies to recast enacted budgets into activities. The Washington state ferries shall include a greater level of detail in its 2011-13 omnibus transportation appropriations act request, as determined jointly by the office of financial management, the Washington state ferries, and the legislative transportation committees.

(8) (~~(\$4,794,000)~~) \$6,116,000 of the Puget Sound ferry operations account—state appropriation is provided solely for commercial insurance for ferry assets. The office of financial management, after consultation with the transportation committees of the legislature, must present a business plan for the Washington state ferry system's insurance coverage to the 2010 legislature. The business plan must include a cost-benefit analysis of Washington state ferries' current commercial insurance purchased for ferry assets and a review of self-insurance for noncatastrophic events.

(9) \$1,100,000 of the Puget Sound ferry operations account—state appropriation is provided solely for a marketing program. The department shall present a marketing program proposal to the transportation committees of the legislature during the 2010 legislative session before implementing this program. Of this amount, \$10,000 is for the city of Port Townsend and \$10,000 is for the town of Coupeville for mitigation expenses related to only one vessel operating on the Port Townsend/Keystone ferry route. The moneys provided to the city of Port Townsend and town of Coupeville are not contingent upon the required marketing proposal.

(10) \$350,000 of the Puget Sound ferry operations account—state appropriation is provided solely for two extra trips per day during the summer of 2009 season, beyond the current schedule, on the Port Townsend/Keystone route.

(11) When purchasing uniforms that are required by collective bargaining agreements, the department shall contract with the lowest cost provider.

(12) The legislature finds that measuring the performance of Washington state ferries requires the measurement of quality, timeliness, and unit cost of services delivered to customers. Consequently, the department must develop a set of metrics that measure that performance and report to the transportation committees of the legislature and to the office of financial management on the development of these measurements along with recommendations to the 2010 legislature on which measurements must become a part of the next omnibus transportation appropriations act.

(13) As a priority task, the department is directed to propose a comprehensive incident and accident investigation policy and appropriate procedures, and to provide the proposal to the legislature by November 1, 2009, using existing resources and staff expertise. In addition to consulting with ferry system unions and the United States coast guard, the Washington state ferries is encouraged to solicit independent outside expertise on incident and accident investigation best practices as they may be found in other organizations with a similar concern for marine safety. It is the intent of the legislature to enact the policies into law and to publish that law and procedures as a manual for Washington state ferries' accident/incident investigations. Until that time, the Washington state ferry system must exercise particular diligence to assure that any incident or accident investigations are conducted within the spirit of the guidelines of this act. The proposed policy must contain, at a minimum:

(a) The definition of an incident and an accident and the type of investigation that is required by both types of events;

(b) The process for appointing an investigating officer or officers and a description of the authorities and responsibilities of the investigating officer or officers. The investigating officer or officers must:

(i) Have the appropriate training and experience as determined by the policy;

(ii) Not have been involved in the incident or accident so as to avoid any conflict of interest;

(iii) Have full access to all persons, records, and relevant organizations that may have information about or may have contributed to, directly or indirectly, the incident or accident under investigation, in compliance with any affected employee's or employees' respective collective bargaining agreement and state laws and rules regarding public disclosure under chapter 42.56 RCW;

(iv) Be provided with, if requested by the investigating officer or officers, appropriate outside technical expertise; and

(v) Be provided with staff and legal support by the Washington state ferries as may be appropriate to the type of investigation;

(c) The process of working with the affected employee or employees in accordance with the employee's or employees' respective collective bargaining agreement and the appropriate union officials, within protocols afforded to all public employees;

(d) The process by which the United States coast guard is kept informed of, interacts with, and reviews the investigation;

(e) The process for review, approval, and implementation of any approved recommendations within the department; and

(f) The process for keeping the public informed of the investigation and its outcomes, in compliance with any affected employee's or employees' respective

collective bargaining agreement and state laws and rules regarding public disclosure under chapter 42.56 RCW.

(14) \$7,300,000 of the Puget Sound ferry operations account—state appropriation is provided solely for the purposes of travel time associated with Washington state ferries employees. However, if Engrossed Substitute House Bill No. 3209 (managing costs of ferry system) is enacted by June 30, 2010, containing an appropriation for purposes of travel time associated with Washington state ferries employees, the amount provided in this subsection lapses.

(15) \$50,000 of the Puget Sound ferry operations account—state appropriation is provided solely to implement a mechanism to report on-time performance statistics.

(a) The department shall conduct a study to identify process changes that would improve on-time performance on a route-by-route basis. The study must include looking into the slowing down of vessels for fuel economy purposes and touch-and-go sailings on peak runs. The department shall report its findings to the transportation committees of the senate and house of representatives by December 1, 2010.

(b) The department shall, by November 1, 2010, report to the transportation committees of the legislature statistics regarding its on-time arrival and departure status on a route-by-route and month-by-month basis, as well as an annual route-by-route and systemwide basis, weighted by the number of customers on each sailing and distinguishing peak period on-time performance. The statistics must include reasons for any delays over ten minutes from the scheduled time. The statistics must be prominently displayed on the Washington state ferries' web site. Each Washington state ferries vessel and terminal must prominently display the statistics as they relate to their specific route.

(16) The department shall investigate outsourcing the call center functions planned for the ferry reservation system and report its findings to the transportation committees of the senate and house of representatives by December 15, 2010.

(17) By July 1, 2010, the department shall provide to the governor and the transportation committees of the senate and house of representatives a listing of all benefits that Washington state ferries union employees receive that other state employees do not traditionally receive. The listing must include any costs associated with these benefits.

**Sec. 817. 2010 c 247 s 223 (uncodified) is amended to read as follows:*

FOR THE DEPARTMENT OF TRANSPORTATION—RAIL—PROGRAM Y—OPERATING

Multimodal Transportation Account—State

Appropriation(~~(\$37,371,000)~~)
\$29,871,000

Multimodal Transportation Account—Federal

Appropriation \$100,000
TOTAL APPROPRIATION **\$29,971,000**

The appropriations in this section ((is)) are subject to the following conditions and limitations:

(1) (~~(\$31,591,000)~~) \$24,091,000 of the multimodal transportation account—state appropriation is provided solely for the Amtrak service contract and Talgo maintenance contract associated with providing and maintaining the state-supported passenger rail service. Upon completion of the rail platform project in the city of Stanwood, the department shall provide daily Amtrak Cascades service to the city.

(2) Amtrak Cascade runs may not be eliminated.

(3) The department shall begin planning for a third roundtrip Cascades train between Seattle and Vancouver, B.C. by 2010.

*Sec. 817 was vetoed. See message at end of chapter.

Sec. 818. 2010 c 247 s 224 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF TRANSPORTATION—LOCAL PROGRAMS—PROGRAM Z—OPERATING

Motor Vehicle Account—State

Appropriation (~~(\$8,621,000)~~)
\$8,618,000

Motor Vehicle Account—Federal Appropriation \$2,545,000

TOTAL APPROPRIATION (~~(\$11,166,000)~~)
\$11,163,000

NEW SECTION. Sec. 819. A new section is added to 2010 c 247 (uncodified) to read as follows:

The appropriations to the department of transportation in chapter 247, Laws of 2010 and this act must be expended for the programs and in the amounts specified in this act. However, after May 1, 2011, unless specifically prohibited, the department may transfer state appropriations for the 2009-2011 fiscal biennium among operating programs after approval by the director of the office of financial management. However, the department shall not transfer state moneys that are provided solely for a specific purpose. The department shall not transfer funds, and the director of the office of financial management shall not approve the transfer unless the transfer is consistent with the objective of conserving, to the maximum extent possible, the expenditure of state funds and not federal funds. The director of the office of financial management shall notify the appropriate transportation committees of the legislature prior to approving any allotment modifications or transfers under this section. The written notification must include a narrative explanation and justification of the changes, along with expenditures and allotments by program and appropriation, both before and after any allotment modifications or transfers.

TRANSPORTATION AGENCIES—CAPITAL

Sec. 901. 2009 c 470 s 301 (uncodified) is amended to read as follows:

FOR THE WASHINGTON STATE PATROL

State Patrol Highway Account—State Appropriation (~~(\$3,126,000)~~)
\$2,481,000

The appropriation in this section is subject to the following conditions and limitations:

(1) \$1,626,000 of the state patrol highway account—state appropriation is provided solely for the following minor works projects: \$450,000 for Shelton

training academy roofs; (~~(\$150,000 for HVAC control replacements;~~) \$168,000 for upgrades to scales; \$50,000 for Bellevue electrical equipment upgrades; (~~(\$90,000)~~) \$16,000 for South King detachment window replacement; \$200,000 for the replacement of the Naselle radio tower, generator shelter, and fence; \$200,000 for unforeseen emergency repairs; and \$318,000 for the Shelton training academy drive course/skid pan repair.

(2) (~~(\$1,500,000)~~) \$1,079,000 of the state patrol highway account—state appropriation is provided solely for the Shelton academy of the Washington state patrol and is contingent upon a signed agreement between the city of Shelton, the department of corrections, and the Washington state patrol that provides for an on-going payment to these three entities, based on their percentage of the total investment in the project, from all hookup fees, late comer fees, LIDS, and all other initial fees collected for the new waste water treatment lines, waste water plants, water lines, and water systems.

Sec. 902. 2010 c 247 s 301 (uncodified) is amended to read as follows:

FOR THE COUNTY ROAD ADMINISTRATION BOARD

Rural Arterial Trust Account—State Appropriation	(\$73,000,000)
	<u>\$71,500,000</u>
Motor Vehicle Account—State Appropriation	\$1,048,000
County Arterial Preservation Account—State Appropriation	(\$31,400,000)
	<u>\$30,400,000</u>
TOTAL APPROPRIATION	(\$105,448,000)
	<u>\$102,948,000</u>

The appropriations in this section are subject to the following conditions and limitations:

(1) \$1,048,000 of the motor vehicle account—state appropriation may be used for county ferry projects as developed pursuant to RCW 47.56.725(4).

(2) The appropriations in this section include funding to counties to assist them in efforts to recover from federally declared emergencies, by providing capitalization advances and local match for federal emergency funding as determined by the county road administration board. The county road administration board shall specifically identify any such selected projects and shall include information concerning such selected projects in its next annual report to the legislature.

(3) \$22,000,000 of the rural arterial trust account—state appropriation is provided solely for additional grants for county road projects as approved by the county road administration board.

Sec. 903. 2010 c 247 s 302 (uncodified) is amended to read as follows:

FOR THE TRANSPORTATION IMPROVEMENT BOARD

Small City Pavement and Sidewalk Account—State Appropriation	(\$3,927,000)
	<u>\$3,737,000</u>
Urban Arterial Trust Account—State Appropriation	(\$123,900,000)
	<u>\$121,900,000</u>

Transportation Improvement Account—State	
Appropriation	(\$81,643,000)
	<u>\$80,643,000</u>
TOTAL APPROPRIATION	(\$209,470,000)
	<u>\$206,280,000</u>

The appropriations in this section are subject to the following conditions and limitations:

(1) The transportation improvement account—state appropriation includes up to \$7,143,000 in proceeds from the sale of bonds authorized in RCW 47.26.500.

(2) The urban arterial trust account—state appropriation includes up to ~~(\$7,143,000)~~ \$15,000,000 in proceeds from the sale of bonds authorized in RCW 47.26.420.

Sec. 904. 2009 c 470 s 305 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF TRANSPORTATION—PROGRAM D (DEPARTMENT OF TRANSPORTATION-ONLY PROJECTS)—CAPITAL

Motor Vehicle Account—State Appropriation	(\$4,810,000)
	<u>\$4,623,000</u>

The appropriation in this section is subject to the following conditions and limitations:

(1) \$1,198,000 of the motor vehicle account—state appropriation is provided solely for the Olympic region site acquisition debt service payments and administrative costs associated with capital improvement and preservation project and financial management.

(2) ~~(\$3,612,000)~~ \$3,425,000 of the motor vehicle account—state appropriation is provided solely for high priority safety projects that are directly linked to employee safety, environmental risk, or minor works that prevent facility deterioration. This includes the administrative costs associated with those projects and the reconstruction of the Wandermere facility that was destroyed in the 2008-09 winter storms.

Sec. 905. 2010 c 247 s 303 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF TRANSPORTATION—IMPROVEMENTS—PROGRAM I

Multimodal Transportation Account—State	
Appropriation	(\$98,000)
	<u>\$2,000</u>

Transportation Partnership Account—State	
Appropriation	(\$1,665,644,000)
	<u>\$1,325,624,000</u>

Motor Vehicle Account—State Appropriation	(\$85,534,000)
	<u>\$66,880,000</u>

Motor Vehicle Account—Federal Appropriation	(\$570,107,000)
	<u>\$532,458,000</u>

Motor Vehicle Account—Private/Local	
Appropriation	(\$70,714,000)
	<u>\$83,270,000</u>

Special Category C Account—State Appropriation	\$25,221,000
Transportation 2003 Account (Nickel Account)—State Appropriation.	(\$713,205,000)
	<u>\$590,797,000</u>
Freight Mobility Multimodal Account—State Appropriation.	(\$4,574,000)
	<u>\$4,575,000</u>
Tacoma Narrows Toll Bridge Account—State Appropriation.	(\$789,000)
	<u>\$797,000</u>
State Route Number 520 Corridor Account—State Appropriation.	(\$231,763,000)
	<u>\$229,838,000</u>
(State Route Number 520 Civil Penalties Account—State Appropriation.)	(\$1,190,000)
TOTAL APPROPRIATION	(\$3,368,839,000)
	<u>\$2,859,462,000</u>

The appropriations in this section are subject to the following conditions and limitations:

(1) Except as provided otherwise in this section, the entire transportation 2003 account (nickel account) appropriation and the entire transportation partnership account appropriation are provided solely for the projects and activities as listed by fund, project, and amount in LEAP Transportation Document ~~((2010-1))~~ 2011-1 as developed ~~((March 8, 2010))~~ April 19, 2011, Program - Highway Improvement Program (I). However, limited transfers of specific line-item project appropriations may occur between projects for those amounts listed subject to the conditions and limitations in section 603 ~~((of this act)), chapter . . . (Engrossed Substitute House Bill No. 1175), Laws of 2011.~~

(2) ~~(\$163,385,000)~~ \$158,094,000 of the transportation partnership account—state appropriation and ~~(\$231,763,000)~~ \$229,838,000 of the state route number 520 corridor account—state appropriation are provided solely for the state route number 520 bridge replacement and HOV project. The department shall submit an application for the eastside transit and HOV project to the supplemental discretionary grant program for regionally significant projects as provided in the American Recovery and Reinvestment Act of 2009.

(3) As required under section 305(6), chapter 518, Laws of 2007, the department shall report by January 2010 to the transportation committees of the legislature on the findings of the King county noise reduction solutions pilot project.

(4) Funding allocated for mitigation costs is provided solely for the purpose of project impact mitigation, and shall not be used to develop or otherwise participate in the environmental assessment process.

(5) The department shall apply for surface transportation program (STP) enhancement funds to be expended in lieu of or in addition to state funds for eligible costs of projects in Programs I and P including, but not limited to, the SR 518, SR 520, Columbia river crossing, and Alaskan Way viaduct projects.

(6) The department shall, on a quarterly basis beginning July 1, 2009, provide to the office of financial management and the legislature reports

providing the status on each active project funded in part or whole by the transportation 2003 account (nickel account) or the transportation partnership account. Funding provided at a programmatic level for transportation partnership account and transportation 2003 account (nickel account) projects relating to bridge rail, guard rail, fish passage barrier removal, and roadside safety projects should be reported on a programmatic basis. Projects within this programmatic level funding should be completed on a priority basis and scoped to be completed within the current programmatic budget. Report formatting and elements must be consistent with the October 2009 quarterly project report. On a representative sample of new construction contracts valued at fifteen million dollars or more, the department must also use an earned value method of project monitoring.

(7) The transportation 2003 account (nickel account)—state appropriation includes up to (~~(\$653,630,000)~~) \$567,964,000 in proceeds from the sale of bonds authorized by RCW 47.10.861.

(8) The transportation partnership account—state appropriation includes up to (~~(\$1,347,939,000)~~) \$1,261,092,000 in proceeds from the sale of bonds authorized in RCW 47.10.873.

(9) The special category C account—state appropriation includes up to (~~(\$25,221,000)~~) \$25,056,000 in proceeds from the sale of bonds authorized in RCW 47.10.812.

(10) The motor vehicle account—state appropriation includes up to (~~(\$43,000,000)~~) \$42,960,000 in proceeds from the sale of bonds authorized in RCW 47.10.843.

(11) The state route number 520 corridor account—state appropriation includes up to (~~(\$231,763,000)~~) \$229,838,000 in proceeds from the sale of bonds authorized in RCW 47.10.879.

(12) The department must prepare a tolling study for the Columbia river crossing project. While conducting the study, the department must coordinate with the Oregon department of transportation to perform the following activities:

(a) Evaluate the potential diversion of traffic from Interstate 5 to other parts of the transportation system when tolls are implemented on Interstate 5 in the vicinity of the Columbia river;

(b) Evaluate the most advanced tolling technology to maintain travel time speed and reliability for users of the Interstate 5 bridge;

(c) Evaluate available active traffic management technology to determine the most effective options for technology that could maintain travel time speed and reliability on the Interstate 5 bridge;

(d) Confer with the project sponsor's council, as well as local and regional governing bodies adjacent to the Interstate 5 Columbia river crossing corridor and the Interstate 205 corridor regarding the implementation of tolls, the impacts that the implementation of tolls might have on the operation of the corridors, the diversion of traffic to local streets, and potential mitigation measures;

(e) Regularly report to the Washington transportation commission regarding the progress of the study for the purpose of guiding the commission's potential toll setting on the facility;

(f) Research and evaluate options for a potential toll-setting framework between the Oregon and Washington transportation commissions;

(g) Conduct public work sessions and open houses to provide information to citizens, including users of the bridge and business and freight interests, regarding implementation of tolls on the Interstate 5 and to solicit citizen views on the following items:

- (i) Funding a portion of the Columbia river crossing project with tolls;
 - (ii) Implementing variable tolling as a way to reduce congestion on the facility; and
 - (iii) Tolling Interstate 205 separately as a management tool for the broader state and regional transportation system; and
- (h) Provide a report to the governor and the legislature by January 2010.

(13)(a) By January 2010, the department must prepare a traffic and revenue study for Interstate 405 in King county and Snohomish county that includes funding for improvements and high occupancy toll lanes, as defined in RCW 47.56.401, for traffic management. The department must develop a plan to operate up to two high occupancy toll lanes in each direction on Interstate 405.

(b) For the facility listed in (a) of this subsection, the department must:

(i) Confer with the mayors and city councils of jurisdictions in the vicinity of the project regarding the implementation of high occupancy toll lanes and the impacts that the implementation of these high occupancy toll lanes might have on the operation of the corridor and adjacent local streets;

(ii) Conduct public work sessions and open houses to provide information to citizens regarding implementation of high occupancy toll lanes and to solicit citizen views;

(iii) Regularly report to the Washington transportation commission regarding the progress of the study for the purpose of guiding the commission's toll setting on the facility; and

(iv) Provide a report to the governor and the legislature by January 2010.

(14) (~~(\$6,488,000)~~ \$1,323,000 of the motor vehicle account—state appropriation and (~~(\$5,000)~~ \$3,628,000 of the motor vehicle account—federal appropriation are provided solely for project 100224I, US 2 high priority safety project. Expenditure of these funds is for safety projects on state route number 2 between Monroe and Gold Bar, which may include median rumble strips, traffic cameras, and electronic message signs.

(15) Expenditures for the state route number 99 Alaskan Way viaduct replacement project must be made in conformance with Engrossed Substitute Senate Bill No. 5768.

(16) The department shall conduct a public outreach process to identify and respond to community concerns regarding the Belfair bypass. The process must include representatives from Mason county, the legislature, area businesses, and community members. The department shall use this process to consider and develop design alternatives that alter the project's scope so that the community's needs are met within the project budget. The department shall provide a report on the process and outcomes to the legislature by June 30, 2010.

(17) The legislature is committed to the timely completion of R8A which supports the construction of sound transit's east link. Following the completion of the independent analysis of the methodologies to value the reversible lanes on Interstate 90 which may be used for high capacity transit as directed in section 204 of this act, the department shall complete the process of negotiations with

sound transit. Such agreement shall be completed no later than December 1, 2009.

(18) ~~\$250,000~~ of the motor vehicle account—state appropriation is provided solely for the design and construction of a right turn lane to improve visibility and traffic flow on state route number 195 and Cheney-Spokane Road (project L1000001).

(19) ~~(\$730,000)~~ \$724,000 of the motor vehicle account—federal appropriation and ~~(\$16,000)~~ \$17,000 of the motor vehicle account—state appropriation are provided solely for the Westview school noise wall (project WESTV).

(20) ~~(\$2,000)~~ \$3,000 of the motor vehicle account—state appropriation and \$131,000 of the motor vehicle account—federal appropriation are provided solely for interchange design and planning work on US 12 at A Street and Tank Farm Road (project PASCO).

(21) ~~(\$21,566,000)~~ \$13,246,000 of the transportation partnership account—state appropriation, ~~(\$26,000)~~ \$27,000 of the motor vehicle account—state appropriation, ~~(\$30,000,000)~~ \$40,000,000 of the motor vehicle account—private/local appropriation, and ~~(\$4,334,000)~~ \$9,422,000 of the motor vehicle account—federal appropriation are provided solely for project 400506A, the I-5/Columbia river crossing/Vancouver project. The funding described in this subsection includes a ~~(\$30,000,000)~~ \$40,000,000 contribution from the state of Oregon.

(22) It is important that the public and policymakers have accurate and timely access to information related to the Alaskan Way viaduct replacement project as it proceeds to, and during, the construction of all aspects of the project including, but not limited to, information regarding costs, schedules, contracts, project status, and neighborhood impacts. Therefore, it is the intent of the legislature that the state, city, and county departments of transportation establish a single source of accountability for integration, coordination, tracking, and information of all requisite components of the replacement project, which must include, at a minimum:

(a) A master schedule of all subprojects included in the full replacement project or program; and

(b) A single point of contact for the public, media, stakeholders, and other interested parties.

(23) The department shall evaluate a potential deep bore culvert for the state route number 305/Bjorgen creek fish barrier project identified as project 330514A in LEAP Transportation Document ALL PROJECTS 2009-2, as developed April 24, 2009. The department shall evaluate whether a deep bore culvert will be a less costly alternative than a traditional culvert since a traditional culvert would require extensive road detours during construction.

(24) Project number 330215A in the LEAP transportation document described in subsection (1) of this section is expanded to include safety and congestion improvements from the Key Peninsula Highway to the vicinity of Purdy. The department shall consult with the Washington traffic safety commission to ensure that this project includes improvements at intersections and along the roadway to reduce the frequency and severity of collisions related to roadway conditions and traffic congestion.

(25) (~~(\$8,890,000)~~) \$5,831,000 of the transportation partnership account—state appropriation is provided solely for project 109040Q, the Interstate 90 Two Way Transit and HOV Improvements—Stage 2 and 3 project, as indicated in the LEAP transportation document referenced in subsection (1) of this section.

(26) The department shall continue to work with the local partners in developing transportation solutions necessary for the economic growth in the Red Mountain American Viticulture Area of Benton county.

(27) For highway construction projects where the department considers agricultural lands of long-term commercial significance, as defined in RCW 36.70A.030, in reviewing and selecting sites to meet environmental mitigation requirements under the national environmental policy act (42 U.S.C. Sec. 4321 et seq.) and the state environmental policy act (chapter 43.21C RCW), the department shall, to the greatest extent possible, consider using public land first. If public lands are not available that meet the required environmental mitigation needs, the department may use other sites while making every effort to avoid any net loss of agricultural lands that have a designation of long-term commercial significance.

(28) Within the motor vehicle account—state appropriation and motor vehicle account—federal appropriation, the department may transfer funds between programs I and P, except for funds that are otherwise restricted in this act.

(29) Within the amounts provided in this section, \$200,000 of the transportation partnership account—state appropriation is provided solely for the department to prepare a comprehensive tolling study of the state route number 167 corridor to determine the feasibility of administering tolls within the corridor, identified as project number 316718A in the LEAP transportation document described in subsection (1) of this section. The department shall report to the joint transportation committee by September 30, 2010. The department shall regularly report to the Washington transportation commission regarding the progress of the study for the purpose of guiding the commission's potential toll setting on the facility. The elements of the study must include, at a minimum:

(a) The potential for value pricing to generate revenues for needed transportation facilities within the corridor;

(b) Maximizing the efficient operation of the corridor; and

(c) Economic considerations for future system investments.

(30) Within the amounts provided in this section, \$200,000 of the transportation partnership account—state appropriation is provided solely for the department to prepare a comprehensive tolling study of the state route number 509 corridor to determine the feasibility of administering tolls within the corridor, identified as project number 850901F in the LEAP transportation document described in subsection (1) of this section. The department shall report to the joint transportation committee by September 30, 2010. The department shall regularly report to the Washington transportation commission regarding the progress of the study for the purpose of guiding the commission's potential toll setting on the facility. The elements of the study must include, at a minimum:

(a) The potential for value pricing to generate revenues for needed transportation facilities within the corridor;

- (b) Maximizing the efficient operation of the corridor; and
- (c) Economic considerations for future system investments.

(31) Within the amounts provided in this section, \$28,000,000 of the transportation partnership account—state appropriation is for project 600010A, as identified in the LEAP transportation document in subsection (1) of this section: NSC-North Spokane corridor (~~(design and right-of-way—new alignment)~~). Expenditure of these funds is for preliminary engineering and right-of-way purchasing to prepare for four lanes to be built from where existing construction ends at Francis Avenue for three miles to the Spokane river. Additionally, any savings realized on project 600001A, as identified in the LEAP transportation document in subsection (1) of this section: US 395/NSC-Francis Avenue to Farwell Road - New Alignment, must be applied to project 600010A.

(32) \$400,000 of the motor vehicle account—state appropriation is provided solely for the department to conduct a state route number 2 route development plan (project L2000016) that will identify essential improvements needed between the port of Everett/Naval station and approaching the state route number 9 interchange near the city of Snohomish.

(33) If the SR 26 - Intersection and Illumination Improvements are not completed by June 30, 2009, the department shall ensure that the improvements are completed as soon as practicable after June 30, 2009, and shall submit monthly progress reports on the improvements beginning July 1, 2009.

(34) \$200,000 of the transportation partnership account—state appropriation, identified on project number 400506A in the LEAP transportation document described in subsection (1) of this section, is provided solely for the department to work with the department of archaeology and historic preservation to ensure that the cultural resources investigation is properly conducted on the Columbia river crossing project. This project must be conducted with active archaeological management and result in one report that spans the single cultural area in Oregon and Washington. Additionally, the department shall establish a scientific peer review of independent archaeologists that are knowledgeable about the region and its cultural resources.

(35) The department shall work with the department of archaeology and historic preservation to ensure that the cultural resources investigation is properly conducted on all mega-highway projects and large ferry terminal projects. These projects must be conducted with active archaeological management. Additionally, the department shall establish a scientific peer review of independent archaeologists that are knowledgeable about the region and its cultural resources.

(36) Within the amounts provided in this section, \$1,500,000 of the motor vehicle account—state appropriation is provided solely for necessary work along the south side of SR 532, identified as project number 053255C in the LEAP transportation document described in subsection (1) of this section.

(37) \$10,000,000 of the transportation partnership account—state appropriation is provided solely for the Spokane street viaduct portion of project 809936Z, SR 99/Alaskan Way Viaduct – Replacement project as indicated in the LEAP transportation document referenced in subsection (1) of this section.

(38) The department shall conduct a public outreach process to identify and respond to community concerns regarding the portion of John's Creek Road that

connects state route number 3 and state route number 101. The process must include representatives from Mason county, the legislature, area businesses, and community members. The department shall use this process to consider, develop, and design a project scope so that the community's needs are met for the lowest cost. The department shall provide a report on the process and outcomes to the legislature by June 30, 2010.

(39) The department shall apply for the competitive portion of federal transit administration funds for eligible transit-related costs of the state route number 520 bridge replacement and HOV project and the Columbia river crossing project. The federal funds described in this subsection must not include those federal transit administration funds distributed by formula. The department shall provide a report regarding this effort to the legislature by January 1, 2010.

(40) (~~(\$5,500,000)~~) \$3,388,000 of the motor vehicle account—federal appropriation (~~(is)~~) and \$1,405,000 of the motor vehicle account—state appropriation are provided solely for the Alaskan Way Viaduct - Automatic Shutdown project, identified as project L1000034.

(41) (~~(\$2,244,000)~~) \$2,937,000 of the motor vehicle account—federal appropriation and (~~(\$122,000)~~) \$163,000 of the motor vehicle account—state appropriation are provided solely for the US 12/Nine Mile Hill to Woodward Canyon Vic -Build New Highway project, identified as project 501210T.

(42) (~~(\$790,000)~~) \$1,116,000 of the motor vehicle account—federal appropriation is provided solely for the Express Lanes System Concept Study project, identified as project 800020A. As part of this project, the department shall prepare a comprehensive tolling study of the Interstate 5 express lanes to determine the feasibility of administering tolls within the corridor. The department shall regularly report to the Washington transportation commission regarding the progress of the study. The elements of the study must include, at a minimum:

- (i) The potential for value pricing to generate revenues for needed transportation facilities;
 - (ii) Maximizing the efficient operation of the corridor;
 - (iii) Economic considerations for future system investments; and
 - (iv) An analysis of the impacts to the regional transportation system.
- (b) The department shall submit a final report on the study to the joint transportation committee by June 30, 2011.

(~~(\$44) \$226,000~~) (43) \$110,000 of the motor vehicle account—federal appropriation and (~~(\$9,000)~~) \$5,000 of the motor vehicle account—state appropriation are provided solely for the SR 16/Rosedale Street NW Vicinity - Frontage Road project (301639C). These funds must not be expended before an agreement stating that the city of Gig Harbor will take ownership of the road has been signed. The frontage road must be built for driving speeds of no more than thirty-five miles per hour.

(~~(\$45))~~ (44) The department shall work with the Washington state transportation commission, the Oregon state department of transportation, and the Oregon state transportation commission to analyze and review potential options for a bistate, toll setting framework. As part of the analysis, the department shall undertake the following actions: Review statutory provisions and the governance structures of toll facilities in the United States that are

located within two or more states; review relevant federal law regarding transportation facilities that are located within two or more states; consult with the state treasurers in Washington and Oregon regarding the appropriate structure for the issuance of debt for toll facilities that are located within two states; report findings and recommendations to the Columbia river project sponsor's council by October 1, 2010; and provide a final report to the governor and the legislature by June 30, 2011.

~~((46))~~ (45) \$750,000 of the motor vehicle account—state appropriation is provided solely for improvements from Allan Road to state route number 12 (501207Z).

~~((47) \$500,000)~~ (46) \$455,000 of the motor vehicle account—state appropriation is provided solely for a traffic signal at the intersection of state route number 7 and state route number 702 (300738A).

~~((48) \$750,000)~~ (47) \$316,000 of the motor vehicle account—state appropriation is provided solely for environmental work on the Belfair Bypass (project 300344C).

~~((49))~~ (48) The legislature finds that state route number 522 corridor provides an important link between Interstates 5 and 405 and will be impacted by diversion from tolling elsewhere in the region. State route number 522 must be reviewed as part of the scoping work conducted under section 220(4) of this act. As such, the legislature intends to provide additional funding for the corridor as a priority in the next revenue package. The state will work with the affected cities and the federal government to secure the necessary resources to address the needs of this critical corridor.

~~((50) \$500,000)~~ (49) \$558,000 of the motor vehicle account—state appropriation is provided solely for the US 12/SR 122/Mossyrock -Intersection project (401212R) for safety improvements.

~~((51))~~ (50) \$200,000 of the motor vehicle account—federal appropriation is provided solely for project US 97A/North of Wenatchee - Wildlife Fence (209790B), and an offsetting reduction is anticipated in the 2011-13 biennium.

~~((52))~~ (51) If a planned roundabout in the vicinity of state route number 526 and 84th Street SW would divert commercial traffic onto neighborhood streets, the department may not proceed with improvements at state route number 526 and 84th Street SW until the traffic impacts in the vicinity of state route number 526 and 40th Avenue West are addressed.

~~((53))~~ (52) The department shall conduct a collision analysis corridor study on state route number 167 from milepost 0 to milepost 5 and report to the transportation committees of the legislature on the analysis results by December 1, 2010.

~~((54) \$2,600,000)~~ (53) \$357,000 of the motor vehicle account—federal appropriation is provided solely for the ITS Advanced Traveler Information System project in Whatcom county (100589B).

~~((55) \$900,000)~~ (54) \$94,000 of the motor vehicle account—federal appropriation is provided solely for the US 97/Cameron Lake Road intersection improvements project in Okanogan county (209700W).

~~((56) \$400,000)~~ (55) \$294,000 of the motor vehicle account—federal appropriation and ~~((100,000))~~ \$74,000 of the motor vehicle account—state appropriation are provided solely for the SR 9/SR 204 Intersection Improvement project (L2000040).

~~((57))~~ (56) The legislature finds that the state route number 12 widening from state route number 124 to Walla Walla is an important east-west corridor in the southeast region of the state. Widening the highway to four lanes will increase safety and improve freight mobility. Therefore, the legislature intends for the department to use up to two million dollars in future redistributed federal obligation authority that may be received by the department for right-of-way purchase for the US 12/Nine Mile Hill to Woodward Canyon Vicinity -Phase 7-A project (501210T).

Sec. 906. 2010 c 247 s 304 (uncodified) is amended to read as follows:

**FOR THE DEPARTMENT OF TRANSPORTATION—
PRESERVATION—PROGRAM P**

Transportation Partnership Account—State	
Appropriation.	((75,305,000))
	<u>\$67,381,000</u>
Motor Vehicle Account—State Appropriation	((96,884,000))
	<u>\$92,733,000</u>
Motor Vehicle Account—Federal Appropriation	((556,705,000))
	<u>\$528,158,000</u>
Motor Vehicle Account—Private/Local Appropriation	((18,768,000))
	<u>\$19,675,000</u>
Transportation 2003 Account (Nickel Account)—State	
Appropriation.	((6,328,000))
	<u>\$6,148,000</u>
Puyallup Tribal Settlement Account—State	
Appropriation.	((6,636,000))
	<u>\$6,647,000</u>
TOTAL APPROPRIATION	((760,626,000))
	<u>\$720,742,000</u>

The appropriations in this section are subject to the following conditions and limitations:

(1) Except as provided otherwise in this section, the entire transportation 2003 account (nickel account) appropriation and the entire transportation partnership account appropriation are provided solely for the projects and activities as listed by fund, project, and amount in LEAP Transportation Document ~~((2010-1))~~ 2011-1 as developed ~~((March 8, 2010))~~ April 19, 2011, Program - Highway Preservation Program (P). However, limited transfers of specific line-item project appropriations may occur between projects for those amounts listed subject to the conditions and limitations in section 603 ~~((of this act)), chapter . . . (Engrossed Substitute House Bill No. 1175), Laws of 2011.~~

(2) ~~((542,000))~~ \$546,000 of the motor vehicle account—federal appropriation and ~~((453,000))~~ \$188,000 of the motor vehicle account—state appropriation are provided solely for project 602110F, SR 21/Keller ferry boat - Preservation. Funds are provided solely for preservation work on the existing vessel, the Martha S.

(3) The department shall apply for surface transportation program (STP) enhancement funds to be expended in lieu of or in addition to state funds for eligible costs of projects in Programs I and P.

(4) (~~(\$6,636,000)~~) \$6,647,000 of the Puyallup tribal settlement account—state appropriation is provided solely for costs associated with the Murray Morgan/11th Street bridge project. The city of Tacoma may use the Puyallup tribal settlement account appropriation and other appropriated funds for bridge rehabilitation, bridge replacement, bridge demolition, and related mitigation. The department's participation, including prior expenditures, may not exceed (~~(\$40,270,000)~~) \$40,281,000. The city of Tacoma has taken ownership of the bridge in its entirety, and the payment of these funds extinguishes any real or implied agreements regarding future bridge expenditures.

(5) The department and the city of Tacoma must present to the legislature an agreement on the timing of the transfer of ownership of the Murray Morgan/11th Street bridge and any additional necessary state funding required to achieve the transfer and rehabilitation of the bridge by January 1, 2010.

(6) The department shall, on a quarterly basis beginning July 1, 2009, provide to the office of financial management and the legislature reports providing the status on each active project funded in part or whole by the transportation 2003 account (nickel account) or the transportation partnership account. Funding provided at a programmatic level for transportation partnership account projects relating to seismic bridges should be reported on a programmatic basis. Projects within this programmatic level funding should be completed on a priority basis and scoped to be completed within the current programmatic budget. The department shall work with the office of financial management and the transportation committees of the legislature to agree on report formatting and elements. Elements must include, but not be limited to, project scope, schedule, and costs. For new construction contracts valued at fifteen million dollars or more, the department must also use an earned value method of project monitoring. The department shall also provide the information required under this subsection on a quarterly basis via the transportation executive information systems (TEIS).

(7) The department of transportation shall continue to implement the lowest life cycle cost planning approach to pavement management throughout the state to encourage the most effective and efficient use of pavement preservation funds. Emphasis should be placed on increasing the number of roads addressed on time and reducing the number of roads past due.

(8)(a) The department shall conduct an analysis of state highway pavement replacement needs for the next ten years. The report must include:

(i) The current backlog of asphalt and concrete pavement preservation projects;

(ii) The level of investment needed to reduce or eliminate the backlog and resume the lowest life-cycle cost;

(iii) Strategies for addressing the recent rapid escalation of asphalt prices, including alternatives to using hot mix asphalt;

(iv) Criteria for determining which type of pavement will be used for specific projects, including annualized cost per mile, traffic volume per lane mile, and heavy truck traffic volume per lane mile; and

(v) The use of recycled asphalt and concrete in state highway construction and the effect on highway pavement replacement needs.

(b) Additionally, the department shall work with the department of ecology, the county road administration board, and the transportation improvement board

to explore and explain the potential use of permeable asphalt and concrete pavement in state highway construction as an alternative method of storm water mitigation and the potential effects on highway pavement replacement needs.

(c) The department shall submit the report to the office of financial management and the transportation committees of the legislature by September 1, 2010, in order to inform the development of the 2011-13 omnibus transportation appropriations act.

(9) ~~((\$299,000))~~ \$581,000 of the motor vehicle account—state appropriation, ~~((\$23,425,000))~~ \$25,207,000 of the motor vehicle account—federal appropriation, and ~~((\$373,000))~~ \$273,000 of the transportation partnership account—state appropriation are provided solely for the SR 104/Hood Canal bridge - replace east half project, identified as project 310407B in the LEAP transportation document described in subsection (1) of this section.

(10) Within the motor vehicle account—state appropriation and motor vehicle account—federal appropriation, the department may transfer funds between programs I and P, except for funds that are otherwise restricted in this act.

(11) Within the amounts provided in this section, \$1,510,000 of the motor vehicle account—state appropriation is provided solely to complete the rehabilitation of the SR 532/84th Avenue NW bridge deck.

(12) ~~((\$1,440,000))~~ \$1,160,000 of the motor vehicle account—federal appropriation and ~~((\$60,000))~~ \$54,000 of the motor vehicle account—state appropriation are provided solely for the environmental impact statement and preliminary planning for the replacement of the state route number 9 Snohomish river bridge (project L2000018).

(13) ~~((\$12,503,000))~~ \$13,833,000 of the motor vehicle account—federal appropriation and ~~((\$497,000))~~ \$479,000 of the motor vehicle account—state appropriation are provided solely for the SR 410/Nile Valley Landslide - Establish Interim Detour project (541002R).

(14) ~~((\$4,239,000))~~ \$3,933,000 of the motor vehicle account—federal appropriation and ~~((\$662,000))~~ \$615,000 of the motor vehicle account—state appropriation are provided solely for the SR 410/Nile Valley Landslide - Reconstruct Route project (541002T).

~~((+6))~~ (15) The legislature anticipates a report in September 2010 that will outline the department's recommendation for developing a Keller Ferry replacement at the lowest cost. The legislature supports the request to the federal government for federal aid for a replacement vessel and intends to provide reasonable matching amounts as necessary.

~~((17))~~ ~~((\$2,100,000))~~ (16) \$194,000 of the motor vehicle account—federal appropriation is provided solely for the SR 21/Kettle River to Malo paving project in Ferry county (602117A).

Sec. 907. 2010 c 247 s 305 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF TRANSPORTATION—TRAFFIC OPERATIONS—PROGRAM Q—CAPITAL	
Motor Vehicle Account—State Appropriation	((<u>\$8,158,000</u>))
	<u>\$6,847,000</u>
Motor Vehicle Account—Federal Appropriation	((<u>\$18,037,000</u>))
	<u>\$11,412,000</u>

Motor Vehicle Account—Private/Local Appropriation	(\$173,000)
	<u>\$174,000</u>
TOTAL APPROPRIATION	(\$26,368,000)
	<u>\$18,433,000</u>

Sec. 908. 2010 c 283 s 19 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF TRANSPORTATION—WASHINGTON STATE FERRIES CONSTRUCTION—PROGRAM W

Puget Sound Capital Construction Account—State	
Appropriation.	(\$126,824,000)
	<u>\$102,289,000</u>
Puget Sound Capital Construction Account—Federal	
Appropriation.	(\$60,364,000)
	<u>\$51,194,000</u>
Puget Sound Capital Construction Account—Local	
Appropriation.	\$200,000
Transportation 2003 Account (Nickel Account)—State	
Appropriation.	(\$51,734,000)
	<u>\$51,735,000</u>
Transportation Partnership Account—State	
Appropriation.	(\$66,879,000)
	<u>\$102,660,000</u>
Multimodal Transportation Account—State	
Appropriation.	\$149,000
TOTAL APPROPRIATION	(\$306,150,000)
	<u>\$308,227,000</u>

The appropriations in this section are subject to the following conditions and limitations:

(1) (~~(\$126,824,000)~~) \$102,289,000 of the Puget Sound capital construction account—state appropriation, (~~(\$60,364,000)~~) \$51,194,000 of the Puget Sound capital construction account—federal appropriation, \$200,000 of the Puget Sound capital construction account—local appropriation, (~~(\$66,879,000)~~) \$102,660,000 of the transportation partnership account—state appropriation, (~~(\$51,734,000)~~) \$51,735,000 of the transportation 2003 account (nickel account)—state appropriation, and \$149,000 of the multimodal transportation account—state appropriation are provided solely for ferry capital projects, project support, and administration as listed in LEAP Transportation Document 2011-2 ALL PROJECTS ((2010-2)) as developed (~~(March 8, 2010)~~) April 19, 2011, Program - Washington State Ferries ((Construction)) Capital Program (W). Of the total appropriation, a maximum of \$10,627,000 may be used for administrative support, a maximum of (~~(\$8,184,000)~~) \$7,635,000 may be used for terminal project support, and a maximum of \$4,497,000 may be used for vessel project support. Of the total appropriation, (~~(\$5,851,000)~~) \$2,016,000 is provided solely for a reservation system and associated communications projects.

(2) (~~(\$51,734,000)~~) \$51,735,000 of the transportation 2003 account (nickel account)—state appropriation, (~~(\$63,100,000)~~) \$99,891,000 of the transportation partnership account—state appropriation, and (~~(\$10,164,000)~~) \$10,165,000 of the Puget Sound capital construction account—state

appropriation are provided solely for the acquisition of three new Island Home class ferry vessels subject to the conditions of RCW 47.56.780. The department shall pursue a contract for the second and third Island Home class ferry vessels with an option to purchase a fourth Island Home class ferry vessel. However, if sufficient resources are available to build one 144-auto vessel prior to exercising the option to build the fourth Island Home class ferry vessel, procurement of the fourth Island Home class ferry vessel will be postponed and the department shall pursue procurement of a 144-auto vessel.

(a) The first two Island Home class ferry vessels must be placed on the Port Townsend-Keystone route.

(b) The department may add additional passenger capacity to one of the Island Home class ferry vessels to make it more flexible within the system in the future, if doing so does not require additional staffing on the vessel.

(c) Cost savings from the following initiatives will be included in the funding of these vessels: The department's review and update of the vessel life-cycle cost model as required under this section; and the implementation of technology efficiencies as required under section 602 of this act.

(3)(a) ~~\$8,450,000 of the Puget Sound capital construction account—state appropriation ((and \$2,450,000)),~~ \$2,000 of the Puget Sound capital construction account—federal appropriation, and \$1,450,000 of the transportation partnership account—state appropriation are provided solely for the following projects related to the design of a 144-vehicle vessel class: (i) ~~(((\$1,380,000))~~ \$700,000 is provided solely for completion of the contract for owner-furnished equipment; (ii) \$8,320,000 is provided solely for completion of the technical design, detail design, and production drawings ~~((, all of which must plan for an aluminum superstructure));~~ (iii) ~~(((\$480,000))~~ \$300,000 is provided solely for the storage of owner-furnished equipment; and (iv) a maximum of ~~(((\$720,000))~~ \$582,000 is for construction engineering. In completing the contract for owner-furnished equipment, the department shall use as much of the already procured equipment as is practicable on the Island Home class ferry vessels if it is likely to be obsolete before it is used in procured 144-vehicle vessels.

(b) The department shall conduct a cost-benefit study on alternative furnishings and fittings for the 144-vehicle vessel class. The study must review the proposed interior furnishings and fittings for the long-term maintenance and out-of-service vessel costs and, if appropriate, propose alternative interior furnishings and fittings that will decrease long-term maintenance and out-of-service vessel costs. The study must include a projection of out-of-service time and a life-cycle cost analysis of planned out-of-service time, including the impact on fleet size. The department must submit the study to the joint transportation committee by August 1, 2010.

~~((c) The department shall identify costs for any additional detail design and production drawings costs related to incorporating the aluminum superstructure and any changes in the proposed furnishings and fittings.))~~

(4) ~~(((\$6,300,000))~~ \$2,000,000 of the Puget Sound capital construction account—state appropriation is provided solely for emergency capital costs.

(5) ~~(((\$3,000,000))~~ \$1,235,000 of the ~~((Puget Sound capital construction account—federal))~~ total appropriation is provided solely for completing the Anacortes terminal design up to the maximum allowable construction cost phase. Beyond preparing environmental work, these funds may be spent only

after the following conditions have been met: (a) A value engineering process is conducted on the existing design and the concept of a terminal building smaller than preferred alternative; (b) the office of financial management participates in the value engineering process; (c) the office of financial management concurs with the recommendations of the value engineering process; and (d) the office of financial management gives its approval to proceed with the design work.

~~(6) ((\$3,965,000 of the Puget Sound capital construction account—state appropriation is provided solely for the following vessel projects: Waste heat recovery pilot project for the Issaquah; jumbo Mark 1 class steering gear ventilation pilot project; and improvements to the Yakima and Kaleetan propulsion controls to allow for two engine operation. Before beginning these projects, the Washington state ferries must ensure the vessels' out-of-service time does not negatively impact service to the system.~~

~~(7))~~ (7) The department shall pursue purchasing a foreign-flagged vessel for service on the Anacortes, Washington to Sidney, British Columbia ferry route.

~~((8))~~ (7) The department shall provide to the office of financial management and the legislature quarterly reports providing the status on each project listed in this section and in the project lists submitted pursuant to this act and on any additional projects for which the department has expended funds during the 2009-11 fiscal biennium. Elements must include, but not be limited to, project scope, schedule, and costs. The department shall also provide the information required under this subsection via the transportation executive information systems (TEIS). The quarterly report regarding the status of projects identified on the list referenced in subsection (1) of this section must be developed according to an earned value method of project monitoring.

~~((9))~~ (8) The department shall review and adjust its capital program staffing levels to ensure staffing is at the most efficient level necessary to implement the capital program in the omnibus transportation appropriations act. The Washington state ferries shall report this review and adjustment to the office of financial management and the house and senate transportation committees of the legislature by July 2009.

~~((10))~~ (9) \$1,200,000 of the total appropriation is provided solely for improving the toll booth configuration at the Port Townsend and Keystone ferry terminals.

~~((11))~~ (10) \$2,636,000 of the total appropriation is provided solely for continued permitting work on the Mukilteo ferry terminal. The department shall seek additional federal funding for this project.

~~((12))~~ (11) The department shall develop a proposed ferry vessel maintenance, preservation, and improvement program and present it to the transportation committees of the legislature by July 1, 2010. The proposal must:

(a) Improve the basis for budgeting vessel maintenance, preservation, and improvement costs and for projecting those costs into a sixteen-year financial plan;

(b) Limit the amount of planned out-of-service time to the greatest extent possible, including options associated with department staff as well as commercial shipyards. At a minimum, the department shall consider the following:

(i) The costs compared to benefits of Eagle Harbor repair and maintenance facility operations options to include staffing costs and benefits in terms of reduced out-of-service time;

(ii) The maintenance requirements for on-vessel staff, including the benefits of a systemwide standard;

(iii) The costs compared to benefits of staff performing preservation or maintenance work, or both, while the vessel is underway, tied up between sailings, or not deployed;

(iv) A review of the department's vessel maintenance, preservation, and improvement program contracting process and contractual requirements;

(v) The costs compared to benefits of allowing for increased costs associated with expedited delivery;

(vi) A method for comparing the anticipated out-of-service time of proposed projects and other projects planned during the same construction period;

(vii) Coordination with required United States coast guard dry dockings;

(viii) A method for comparing how proposed projects relate to the service requirements of the route on which the vessel normally operates; and

(ix) A method for evaluating the ongoing maintenance and preservation costs associated with proposed improvement projects; and

(c) Be based on the service plan in the capital plan, recognizing that vessel preservation and improvement needs may vary by route.

~~((13))~~ (12) \$247,000 of the Puget Sound capital construction account—state appropriation is provided solely for the Washington state ferries to review and update its vessel life-cycle cost model and report the results to the house of representatives and senate transportation committees of the legislature by December 1, 2010. This review will evaluate the impact of the planned out-of-service periods scheduled for each vessel on the ability of the overall system to deliver uninterrupted service and will assess the risk of service disruption from unscheduled maintenance or longer than planned maintenance periods.

~~((14))~~ (13) The department shall work with the department of archaeology and historic preservation to ensure that the cultural resources investigation is properly conducted on all large ferry terminal projects. These projects must be conducted with active archaeological management. Additionally, the department shall establish a scientific peer review of independent archaeologists that are knowledgeable about the region and its cultural resources.

~~((15))~~ (14) The Puget Sound capital construction account—state appropriation includes up to ~~((114,000,000))~~ \$91,000,000 in proceeds from the sale of bonds authorized in RCW 47.10.843.

~~((16))~~ (15) The Puget Sound capital construction account—state appropriation reflects the reduction of three terminal positions due to decreased terminal activity and funding.

~~((17))~~ (16) The department shall provide data to the transportation committees of the senate and house of representatives for a transparent analysis of travel pay policies.

Sec. 909. 2010 c 247 s 307 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF TRANSPORTATION—RAIL—PROGRAM Y—CAPITAL

Essential Rail Assistance Account—State	
Appropriation	(\$333,000)
	<u>\$334,000</u>
Transportation Infrastructure Account—State	
Appropriation	(\$13,184,000)
	<u>\$12,348,000</u>
Multimodal Transportation Account—State	
Appropriation	(\$102,202,000)
	<u>\$82,091,000</u>
Multimodal Transportation Account—Federal	
Appropriation	(\$619,527,000)
	<u>\$48,445,000</u>
(Multimodal Transportation Account—Private/Local	
 Appropriation	(\$81,000)
TOTAL APPROPRIATION	(\$735,327,000)
	<u>\$143,218,000</u>

The appropriations in this section are subject to the following conditions and limitations:

(1)(a) Except as provided otherwise in this section, the entire appropriations in this section are provided solely for the projects and activities as listed by project and amount in LEAP Transportation Document 2011-2 ALL PROJECTS ((2010-2)) as developed ((March 8, 2010)) April 19, 2011, Program - Rail Capital Program (Y).

(b)(i) Within the amounts provided in this section, \$116,000 of the transportation infrastructure account—state appropriation is for a low-interest loan through the freight rail investment bank program to the Port of Ephrata (BIN 722710A) for rehabilitation of a rail spur.

(ii) Within the amounts provided in this section, ((~~\$1,200,000~~)) \$400,000 of the transportation infrastructure account—state appropriation is for a low-interest loan through the freight rail investment bank program to the Port of Everett (BIN 722810A) for a new rail track to connect a cement loading facility to the mainline.

(iii) The department shall issue the loans referenced in this subsection (1)(b) with a repayment period of no more than ten years, and only so much interest as is necessary to recoup the department's costs to administer the loans.

(c)(i) Within the amounts provided in this section, \$1,713,000 of the multimodal transportation account—state appropriation and \$333,000 of the essential rail assistance account—state appropriation are for statewide - emergent freight rail assistance projects as follows: Port of Ephrata/Ephrata - additional spur rehabilitation (BIN 722710A) \$363,000; Tacoma Rail/Tacoma - new refinery spur tracks (BIN 711010A) \$420,000; CW Line/Lincoln County - grade crossing rehabilitation (BIN 700610A) \$371,000; Chelatchie Prairie owned railroad/Vancouver - track rehabilitation (BIN 710110A) \$367,000; Tacoma Rail/Tacoma - improved locomotive facility (BIN 711010B) \$525,000.

(ii) Within the amounts provided in this section, ((~~\$338,000~~)) \$346,000 of the multimodal transportation account—state appropriation is for a statewide - emergent freight rail assistance project grant for the Lincoln County PDA/ Creston - new rail spur (BIN ((~~710510A~~)) F01001E) project, provided that the

grantee first documents to the satisfaction of the department sufficient commitments from the new shipper or shippers to locate in the publicly owned industrial park west of Creston to ensure that the net present value of the public benefits of the project is greater than the grant amount.

(d) Within the amounts provided in this section, (~~(\$8,115,000)~~) \$8,079,000 of the transportation infrastructure account—state appropriation is for grants to any intergovernmental entity or local rail district to which the department of transportation assigns the management and oversight responsibility for the business and economic development elements of existing operating leases on the Palouse River and Coulee City (PCC) rail lines. \$300,000 of the transportation infrastructure account—state appropriation is provided solely for the fence line replacement project on the CW line. The PCC rail line system is made up of the CW, P&L, and PV Hooper rail lines. Business and economic development elements include such items as levels of service and business operating plans, but must not include the state's oversight of railroad regulatory compliance, rail infrastructure condition, or real property management issues. The PCC rail system must be managed in a self-sustaining manner and best efforts must be used to ensure that it does not require state capital or operating subsidy beyond the level of state funding expended on it to date. The assignment of the stated responsibilities to an intergovernmental entity or rail district must be on terms and conditions as the department of transportation and the intergovernmental entity or rail district mutually agree. The grant funds may be used only to refurbish the rail lines. It is the intent of the legislature to make the funds appropriated in this section available as grants to an intergovernmental entity or local rail district for the purposes stated in this section at least until June 30, 2012, and to reappropriate as necessary any portion of the appropriation in this section that is not used by June 30, 2011.

(2)(a) The department shall issue a call for projects for the freight rail investment bank program and the emergent freight rail assistance program, and shall evaluate the applications according to the cost benefit methodology developed during the 2008 interim using the legislative priorities specified in (c) of this subsection. By November 1, 2010, the department shall submit a prioritized list of recommended projects to the office of financial management and the transportation committees of the legislature.

(b) When the department identifies a prospective rail project that may have strategic significance for the state, or at the request of a proponent of a prospective rail project or a member of the legislature, the department shall evaluate the prospective project according to the cost benefit methodology developed during the 2008 interim using the legislative priorities specified in (c) of this subsection. The department shall report its cost benefit evaluation of the prospective rail project, as well as the department's best estimate of an appropriate construction schedule and total project costs, to the office of financial management and the transportation committees of the legislature.

(c) The legislative priorities to be used in the cost benefit methodology are, in order of relative importance:

- (i) Economic, safety, or environmental advantages of freight movement by rail compared to alternative modes;
- (ii) Self-sustaining economic development that creates family-wage jobs;
- (iii) Preservation of transportation corridors that would otherwise be lost;

(iv) Increased access to efficient and cost-effective transport to market for Washington's agricultural and industrial products;

(v) Better integration and cooperation within the regional, national, and international systems of freight distribution; and

(vi) Mitigation of impacts of increased rail traffic on communities.

(3) The department is directed to seek the use of unprogrammed federal rail crossing funds to be expended in lieu of or in addition to state funds for eligible costs of projects in program Y.

(4) At the earliest possible date, the department shall apply, and assist ports and local jurisdictions in applying, for any federal funding that may be available for any projects that may qualify for such federal funding. State projects must be (a) currently identified on the project list referenced in subsection (1)(a) of this section or (b) projects for which no state match is required to complete the project. Local or port projects must not require additional state funding in order to complete the project, with the exception of (c) state funds currently appropriated for such project if currently identified on the project list referenced in subsection (1)(a) of this section or (d) potential grants awarded in the competitive grant process for the essential rail assistance program. If the department receives any federal funding, the department is authorized to obligate and spend the federal funds in accordance with federal law. To the extent permissible by federal law, federal funds may be used (e) in addition to state funds appropriated for projects currently identified on the project list referenced in subsection (1)(a) of this section in order to advance funding from future biennia for such project(s) or (f) in lieu of state funds; however, the state funds must be redirected within the rail capital program to advance funding for other projects currently identified on the project list referenced in subsection (1)(a) of this section. State funds may be redirected only upon consultation with the transportation committees of the legislature and the office of financial management, and approval by the director of the office of financial management. The department shall spend the federal funds before the state funds, and shall consult the office of financial management and the transportation committees of the legislature regarding project scope changes.

(5) The department shall provide quarterly reports to the office of financial management and the transportation committees of the legislature regarding applications that the department submits for federal funds and the status of such applications.

(6) The department shall, on a quarterly basis, provide to the office of financial management and the legislature reports providing the status on active projects identified in the LEAP transportation document described in subsection (1)(a) of this section. Report formatting and elements must be consistent with the October 2009 quarterly project report.

(7) The multimodal transportation account—state appropriation includes up to \$48,000,000 in proceeds from the sale of bonds authorized in RCW 47.10.867.

(8) When the balance of that portion of the miscellaneous program account apportioned to the department for the grain train program reaches \$1,180,000, the department shall acquire twenty-nine additional grain train railcars.

(9) (~~(\$590,000,000)~~) \$22,354,000 of the multimodal transportation account—federal appropriation is provided solely for high-speed rail projects

awarded to Washington state from the high-speed intercity passenger rail program under the American recovery and reinvestment act. Funding will allow for two additional round trips between Seattle and Portland, and other rail improvements.

(10) \$2,200,000 of the multimodal transportation account—state appropriation is provided solely for expenditures related to the capital high-speed passenger rail grant that are not federally reimbursable.

(11) The Burlington Northern Santa Fe Skagit river bridge is an integral part of the rail system. Constructed in 1916, the bridge does not meet current design standards and is at risk during flood events that occur on the Skagit river. The department shall work with Burlington Northern Santa Fe and local jurisdictions to secure federal funding for the Skagit river bridge and to develop an appropriate replacement plan and schedule.

(12) \$1,000,000 of the multimodal transportation account—state appropriation is provided solely for additional expenditures along the Chelatchie Prairie railroad (~~((LN2000025))~~) (710110A).

Sec. 910. 2010 c 247 s 308 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF TRANSPORTATION—LOCAL PROGRAMS—PROGRAM Z—CAPITAL

((Highway Infrastructure Account—State Appropriation	\$207,000
Highway Infrastructure Account—Federal Appropriation	(\$1,602,000))
Freight Mobility Investment Account—State Appropriation	(\$13,848,000))
	<u>\$9,170,000</u>
Transportation Partnership Account—State Appropriation	(\$8,863,000))
	<u>\$6,828,000</u>
Motor Vehicle Account—State Appropriation	(\$14,068,000))
	<u>\$9,668,000</u>
Motor Vehicle Account—Federal Appropriation	(\$43,835,000))
	<u>\$25,727,000</u>
Freight Mobility Multimodal Account—State Appropriation	(\$15,620,000))
	<u>\$7,472,000</u>
Freight Mobility Multimodal Account—Local Appropriation	(\$3,258,000))
	<u>\$2,980,000</u>
Multimodal Transportation Account—Federal Appropriation	\$2,118,000
Multimodal Transportation Account—State Appropriation	(\$28,855,000))
	<u>\$20,923,000</u>
Transportation 2003 Account (Nickel Account)—State Appropriation	\$2,709,000
Passenger Ferry Account—State Appropriation	(\$2,879,000))
	<u>\$1,764,000</u>

Puyallup Tribal Settlement Account—State	
Appropriation	(\$5,895,000)
	<u>\$5,905,000</u>
TOTAL APPROPRIATION	(\$143,757,000)
	<u>\$95,264,000</u>

The appropriations in this section are subject to the following conditions and limitations:

(1) The department shall, on a quarterly basis, provide status reports to the legislature on the delivery of projects as outlined in the project lists incorporated in this section. For projects funded by new revenue in the 2003 and 2005 transportation packages, reporting elements shall include, but not be limited to, project scope, schedule, and costs. Other projects may be reported on a programmatic basis. The department shall also provide the information required under this subsection on a quarterly basis via the transportation executive information system (TEIS).

(2) ~~(\$2,729,000)~~ \$1,614,000 of the passenger ferry account—state appropriation is provided solely for near and long-term costs of capital improvements ~~((in a))~~ and operating expenses that are consistent with the business plan approved by the governor for passenger ferry service.

(3) \$150,000 of the passenger ferry account—state appropriation is provided solely for the Port of Kingston for a one-time operating subsidy needed to retain a federal grant.

(4) \$3,000,000 of the motor vehicle account—federal appropriation is provided solely for the Coal Creek parkway project (L1000025).

(5) The department shall seek the use of unprogrammed federal rail crossing funds to be expended in lieu of or in addition to state funds for eligible costs of projects in local programs, program Z capital.

(6) The department shall apply for surface transportation program (STP) enhancement funds to be expended in lieu of or in addition to state funds for eligible costs of projects in local programs, program Z capital.

(7) Federal funds may be transferred from program Z to programs I and P and state funds shall be transferred from programs I and P to program Z to replace those federal funds in a dollar-for-dollar match. Fund transfers authorized under this subsection shall not affect project prioritization status. Appropriations shall initially be allotted as appropriated in this act. The department may not transfer funds as authorized under this subsection without approval of the office of financial management. The department shall submit a report on those projects receiving fund transfers to the office of financial management and the transportation committees of the legislature by December 1, 2009, and December 1, 2010.

(8) The city of Winthrop may utilize a design-build process for the Winthrop bike path project. Of the amount appropriated in this section for this project, \$500,000 of the multimodal transportation account—state appropriation is contingent upon the state receiving from the city of Winthrop \$500,000 in federal funds awarded to the city of Winthrop by its local planning organization.

(9) ~~(\$18,289,000)~~ \$13,732,000 of the multimodal transportation account—state appropriation, ~~(\$8,810,000)~~ \$7,104,000 of the motor vehicle account—federal appropriation, and ~~(\$4,000,000)~~ \$2,805,000 of the

transportation partnership account—state appropriation are provided solely for the pedestrian and bicycle safety program projects and safe routes to schools program projects identified in LEAP Transportation Document 2009-A, pedestrian and bicycle safety program projects and safe routes to schools program projects, as developed March 30, 2009, LEAP Transportation Document 2007-A, pedestrian and bicycle safety program projects and safe routes to schools program projects, as developed April 20, 2007, and LEAP Transportation Document 2006-B, pedestrian and bicycle safety program projects and safe routes to schools program projects, as developed March 8, 2006. Projects must be allocated funding based on order of priority. The department shall review all projects receiving grant awards under this program at least semiannually to determine whether the projects are making satisfactory progress. Any project that has been awarded funds, but does not report activity on the project within one year of the grant award must be reviewed by the department to determine whether the grant should be terminated. The department shall promptly close out grants when projects have been completed, and identify where unused grant funds remain because actual project costs were lower than estimated in the grant award.

(10) Except as provided otherwise in this section, the entire appropriations in this section are provided solely for the projects and activities as listed by project and amount in LEAP Transportation Document 2011-2 ALL PROJECTS (~~2010-2~~) as developed (~~March 8, 2010~~) April 19, 2011, Program - Local Program (Z).

(11) For the 2009-11 project appropriations, unless otherwise provided in this act, the director of financial management may authorize a transfer of appropriation authority between projects managed by the freight mobility strategic investment board in order for the board to manage project spending and efficiently deliver all projects in the respective program.

(12) (~~(\$913,386 of the motor vehicle account—state appropriation and \$2,858,000 of the motor vehicle account—federal appropriation are provided solely for completion of the US 101 northeast peninsula safety rest area and associated roadway improvements east of Port Angeles at the Deer Park scenic view point. The department must surplus any right of way previously purchased for this project near Sequim. Approval to proceed with construction is contingent on surplus of previously purchased right of way. \$865,000 of the motor vehicle account—state appropriation is to be placed into unallotted status until such time as the right of way sale is completed.~~

(~~13~~) ~~(\$5,894,000)~~ \$5,905,000 of the Puyallup tribal settlement account—state appropriation is provided solely for costs associated with the Murray Morgan/11th Street bridge project. The city of Tacoma may use the Puyallup tribal settlement account appropriation and other appropriated funds for bridge rehabilitation, bridge replacement, bridge demolition, and bridge mitigation. The department's participation, including prior expenditures, may not exceed (~~(\$40,270,000)~~) \$40,281,000. The city of Tacoma has taken ownership of the bridge in its entirety, and the payment of these funds extinguishes any real or implied agreements regarding future bridge expenditures.

(~~14~~) (13) Up to (~~(\$3,702,000)~~) \$52,000 of the motor vehicle account—federal appropriation and (~~(\$75,000)~~) \$52,000 of the motor vehicle account—state appropriation are provided solely to reimburse the cities of Kirkland and

Redmond for pavement and bridge deck rehabilitation on state route number 908 (project 1LP611A). These funds may not be expended unless the cities sign an agreement stating that the cities agree to take ownership of state route number 908 in its entirety and agree that the payment of these funds represents the entire state commitment to the cities for state route number 908 expenditures. The amount provided in this subsection is contingent on the enactment by June 30, 2010, of Senate Bill No. 6555.

~~((15))~~ (14) The department shall consider the condition of the Broadway bridge in the city of Everett when prioritizing bridge projects.

~~((16))~~ (15) In order to make the Hood Canal bridge safe for cyclists, the department must work with stakeholders to review bicycle safety needs on the bridge, including consideration of accident data and improvements already made to this project.

~~((17) \$250,000)~~ (16) \$25,000 of the multimodal transportation account—state appropriation is provided solely for the Shell Valley emergency access road and bicycle/pedestrian path.

~~((18) \$500,000)~~ (17) \$50,000 of the motor vehicle account—state appropriation is provided solely for improvements to the 150th and Murray Road intersection in the city of Lakewood.

~~((19) \$250,000)~~ (18) \$100,000 of the motor vehicle account—state appropriation is provided solely for flood reduction solutions on state route number 522 caused by the lower McAleer and Lyon creek basins.

~~((20))~~ (19) \$200,000 of the motor vehicle account—state appropriation is provided solely for improvements to the intersection of 39th Ave SE and state route number 96 in Snohomish county.

TRANSFERS AND DISTRIBUTIONS

Sec. 1001. 2010 c 247 s 401 (uncodified) is amended to read as follows:

FOR THE STATE TREASURER—BOND RETIREMENT AND INTEREST, AND ONGOING BOND REGISTRATION AND TRANSFER CHARGES: FOR BOND SALES DISCOUNTS AND DEBT TO BE PAID BY MOTOR VEHICLE ACCOUNT AND TRANSPORTATION FUND REVENUE

Highway Bond Retirement Account Appropriation	(\$733,667,000)
	<u>\$720,842,000</u>
Ferry Bond Retirement Account Appropriation	\$33,771,000
State Route Number 520 Corridor Account—State	
Appropriation	(\$600,000)
	<u>\$1,308,000</u>
Transportation Improvement Board Bond Retirement	
Account—State Appropriation	(\$22,962,000)
	<u>\$21,084,000</u>
Nondebt-Limit Reimbursable Account—State	
Appropriation	(\$18,451,000)
	<u>\$16,850,000</u>
Transportation Partnership Account—State	
Appropriation	(\$4,722,000)
	<u>\$6,818,000</u>

Motor Vehicle Account—State Appropriation	(\$901,000)
	<u>\$672,000</u>
Transportation 2003 Account (Nickel Account)—State Appropriation.	(\$4,116,000)
	<u>\$3,116,000</u>
Special Category C Account—State Appropriation	(\$148,000)
	<u>\$136,000</u>
Urban Arterial Trust Account—State Appropriation	\$85,000
Transportation Improvement Account—State Appropriation	\$41,000
Multimodal Transportation Account—State Appropriation.	(\$283,000)
	<u>\$164,000</u>
TOTAL APPROPRIATION	(\$831,004,000)
	<u>\$804,887,000</u>

Sec. 1002. 2010 c 247 s 402 (uncodified) is amended to read as follows:

FOR THE STATE TREASURER—BOND RETIREMENT AND INTEREST, AND ONGOING BOND REGISTRATION AND TRANSFER CHARGES: FOR BOND SALE EXPENSES AND FISCAL AGENT CHARGES

State Route Number 520 Corridor Account—State Appropriation.	(\$40,000)
	<u>\$83,000</u>
Transportation Partnership Account—State Appropriation.	(\$787,000)
	<u>\$537,000</u>
Motor Vehicle Account—State Appropriation	(\$122,000)
	<u>\$62,000</u>
Transportation 2003 Account (Nickel Account)—State Appropriation.	(\$364,000)
	<u>\$264,000</u>
Special Category C Account—State Appropriation	(\$15,000)
	<u>\$12,000</u>
Urban Arterial Trust Account—State Appropriation	\$5,000
Transportation Improvement Account—State Appropriation	\$3,000
Multimodal Transportation Account—State Appropriation.	(\$34,000)
	<u>\$40,000</u>
TOTAL APPROPRIATION	(\$1,370,000)
	<u>\$1,006,000</u>

Sec. 1003. 2010 c 247 s 403 (uncodified) is amended to read as follows:

FOR THE STATE TREASURER—BOND RETIREMENT AND INTEREST, AND ONGOING BOND REGISTRATION AND TRANSFER CHARGES: FOR MVFT BONDS AND TRANSFERS

Motor Vehicle Account—State Appropriation: For transfer to the Puget Sound Capital Construction Account	(\$114,000,000)
	<u>\$91,000,000</u>

The department of transportation is authorized to sell up to ~~(\$114,000,000)~~ \$91,000,000 in bonds authorized by RCW 47.10.843 for vessel and terminal acquisition, major and minor improvements, and long lead-time materials acquisition for the Washington state ferries.

Sec. 1004. 2010 1st sp.s. c 37 s 804 (uncodified) is amended to read as follows:

FOR THE STATE TREASURER—ADMINISTRATIVE TRANSFERS

~~(1) ((Tacoma Narrows Toll Bridge Account—State
Appropriation: For transfer to the Motor Vehicle
Account—State \$5,288,000~~

~~(2)) (2) Motor Vehicle Account—State Appropriation:
For transfer to the Puget Sound Ferry Operations
Account—State (((\$54,100,000))
\$78,000,000~~

~~((3)) (2) Recreational Vehicle Account—State
Appropriation: For transfer to the Motor Vehicle
Account—State (((\$2,000,000))
\$1,800,000~~

~~((4)) (3) License Plate Technology Account—State
Appropriation: For transfer to the Highway Safety
Account—State \$2,750,000~~

~~((5)) (4) Multimodal Transportation Account—State
Appropriation: For transfer to the Puget Sound
Ferry Operations Account—State (((\$9,000,000))
\$13,000,000~~

~~((6) Highway Safety Account—State Appropriation:
For transfer to the Multimodal Transportation
Account—State \$18,750,000~~

~~(7)) (5) Department of Licensing Services Account—State
Appropriation: For transfer to the Motor Vehicle
Account—State \$1,300,000~~

~~((8)) (6) Advanced Right-of-Way Account: For transfer
to the Motor Vehicle Account—State \$14,000,000~~

~~((9) State Route Number 520 Civil Penalties
Account—State Appropriation: For transfer to the
State Route Number 520 Corridor Account—State \$190,000~~

~~(10)) (7) Advanced Environmental Mitigation
Revolving Account—State Appropriation: For transfer
to the Motor Vehicle Account—State \$5,000,000~~

~~((11)) (8) Regional Mobility Grant Program Account—State
Appropriation: For transfer to the Multimodal
Transportation Account—State \$4,000,000~~

~~((12)) (9) Motor Vehicle Account—State Appropriation:
For transfer to the State Patrol Highway Account—
State (((\$5,600,000))
\$4,600,000~~

~~((13) The transfers identified in this section are subject to the following
conditions and limitations:~~

~~(a) The amount transferred in subsection (1) of this section represents repayment of operating loans and reserve payments provided to the Tacoma Narrows toll bridge account from the motor vehicle account in the 2005-07 fiscal biennium. However, if Engrossed Substitute Senate Bill No. 6499 is enacted by June 30, 2010, the transfer in subsection (1) of this section shall not occur.~~

~~(b) Any cash balance in the waste tire removal account in excess of one million dollars must be transferred to the motor vehicle account for the purpose of road wear related maintenance on state and local public highways.~~

~~(c) The transfer in subsection (9) of this section represents toll revenue collected from toll violations.)~~

(10) Highway Safety Account—State Appropriation:

For transfer to the Motor Vehicle Account—State \$19,000,000

MISCELLANEOUS

NEW SECTION. Sec. 1101. 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.

NEW SECTION. Sec. 1102. Except for sections 703, 704, 705, 716, 719, and 722 of this act, this act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and takes effect immediately.

NEW SECTION. Sec. 1103. Sections 703, 704, 716, and 719 of this act are necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and take effect July 1, 2011.

NEW SECTION. Sec. 1104. Sections 705 and 722 of this act take effect upon certification by the secretary of transportation that the new statewide tolling operations center and photo toll system are fully operational. A notice of certification must be filed with the code reviser for publication in the state register. If a certificate is not issued by the secretary of transportation by December 1, 2012, sections 705 and 722 of this act are null and void.

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Passed by the House April 22, 2011.

Passed by the Senate April 20, 2011.

Approved by the Governor May 16, 2011, with the exception of certain items that were vetoed.

Filed in Office of Secretary of State May 17, 2011.

Note: Governor's explanation of partial veto is as follows:

"Thank you for your work on the supplemental and 2011-13 transportation budgets. I am returning, without my approval as to Sections 103(3), 103(4), 204(2), 205(3), 208(11), 210(4), 210(6), 221(3), 221(4), 221(7), 221(8), 221(9), 221(18), 305(6), 306(4), 308(6), 308(10), 308(12), 610, 706, 714, 722, and 817, Engrossed Substitute House Bill 1175 entitled:

"AN ACT Relating to making transportation appropriations for the 2009-2011 and 2011-2013 fiscal biennia."

Section 103(3), pages 3-4, Office of Financial Management, Predesign Requirements for Washington State Ferries

This proviso requires the Office of Financial Management (OFM) to review and modify the Department of Transportation's (WSDOT) predesign requirements for state ferry vessel and terminal projects so that they continue to meet legal mandates without unduly burdening WSDOT. OFM is committed to working with the legislative transportation committees and stakeholders during the interim to assess and re-write the predesign manual for all appropriate transportation facilities, not just for ferry terminals and vessels. For this reason, I have vetoed Section 103(3).

Section 103(4), page 4, Office of Financial Management, List of Ferry Demands to Bargain

This proviso requires the Office of Financial Management to provide the legislative transportation committees, on a quarterly basis, a list of all demands to bargain with respect to unions representing marine employees. While I support sharing this information with the Legislature, it should not be limited to only one sector of employees. Therefore, I am directing OFM to provide information on all demands to bargain received by the Labor Relations Office to the legislative transportation committees and the Joint Committee on Employment Relations, as appropriate. For this reason, I have vetoed Section 103(4).

Section 204(2), page 8, Joint Transportation Committee, Study of Management Organizational Structure of Ferries Division

This proviso provides funding to the Joint Transportation Committee (JTC) to conduct a study of the management organizational structure of the Department of Transportation Ferries Division. The ferry system has been studied extensively. The transportation budget passed in 2009 directed twelve

studies or reports, and six more were added in the 2010 budget. The JTC recently completed a three-year series of finance studies related to ferries. The most recent study was conducted last year by the national Passenger Vessel Association (PVA) at my request and provided recommendations now being implemented by the Ferries Division. This report noted that the level of oversight for Washington State Ferries is greater than the five ferry systems represented on the PVA panel that performed the study. "This constant responding, educating and reacting are tremendously costly and this expenditure could be better utilized elsewhere." For these reasons, I have vetoed Section 204(2).

Section 205(3), page 10, Transportation Commission, Survey of Transportation Users

This proviso ties the appropriation for a survey of transportation users to the passage of Substitute Senate Bill 5128, which did not pass. It is important to conduct a statistically valid survey to identify the transportation priorities the public would like to target for future investments. In order to preserve the funding necessary for this survey, I have vetoed Section 205(3).

Section 208(11), page 15, Department of Licensing, Commercial Drivers

Funding is provided to implement provisions of Engrossed House Bill 1229 (related to commercial drivers) from the Highway Safety Account-State. However, this proviso incorrectly identifies the funds as Motor Vehicle Account-Federal instead of Highway Safety Account-State. For this reason, I have vetoed Section 208(11).

Section 210(4), pages 17-18, Department of Transportation, Time, Leave and Labor System

This proviso directs the Department of Transportation to report quarterly on its progress on the development of a time, leave, and labor distribution system. While this is a high priority for WSDOT, it is an important need of all state agencies. That is why I proposed that this project be developed as an enterprise solution by the Office of Financial Management in partnership with the Department of Personnel and WSDOT, with WSDOT being the pilot site to implement what will become an enterprise-wide application. Because it is important to clearly set out the state's commitment to an enterprise solution for business process systems improvements, I am vetoing this section and directing that the project commence as a partnership of state agencies with OFM leadership. For these reasons, I have vetoed Section 210(4).

Section 210(6), page 18, Department of Transportation, 511 Traveler Information System Improvements

This proviso directs the Department of Transportation to make enhancements to the 511 traveler information system, as well as to develop or purchase software to allow public transportation users to determine the public transportation options available to them. The private sector is providing similar services for travelers, often at no cost to consumers. During this time of limited state resources, it is unnecessary to dedicate scarce state resources to areas being addressed by the private sector. Furthermore, no funding was provided to accomplish these actions. For these reasons, I have vetoed Section 210(6).

Section 221(3), pages 31-32, Department of Transportation, Ferry Performance Metrics

This section requires the Department of Transportation to develop a set of performance metrics for the Ferries Division and make recommendations to the 2012 Legislature on which measurements should be incorporated into the transportation appropriations act. My Government Management Accountability and Performance (GMAP) program already requires WSDOT to include ferry performance measures as part of its quarterly reports. WSDOT is further enhancing its use of performance metrics, which was one of the recommendations of the Passenger Vessel Association study I directed last year. WSDOT will continue reporting its progress and we will share those updates with the Legislature. For these reasons, I have vetoed Section 221(3).

Section 221(4), page 32, Department of Transportation, Ferries Division Process Changes

This section requires the Department of Transportation Ferries Division to continue to identify and implement route-by-route on-time performance changes. At the same time, it directs WSDOT to consider slowing down vessels to save fuel. It is unclear how the Ferries Division should improve on-time performance while slowing down vessels. WSDOT remains committed to a safe and reliable ferry system, as evidenced by the 94% of sailings arriving within ten minutes of the scheduled sailing time in 2010. For these reasons, I have vetoed Section 221(4).

Section 221(7), page 32, Department of Transportation, Fiscal Year Reports Outlining Wages and Benefits to Ferry Employees

This proviso requires the Department of Transportation to provide to the legislative transportation committees fiscal year reports outlining wages and benefits provided to marine employees. While I

support sharing this information with the Legislature, it should not be limited to only one sector of employees. Therefore, I am directing the Office of Financial Management to work with the appropriate agencies to provide wage and benefit information to the legislative transportation committees and ways and means committees. For these reasons, I have vetoed Section 221(7).

Section 221(8), page 32, Department of Transportation, Ferry Detail in the Transportation Executive Information System (TEIS)

This proviso requires the Department of Transportation to work with the Legislative Evaluation and Accountability Program Committee to provide more details on ferry projects in the capital reporting system used by the Legislature, Office of Financial Management, and WSDOT. It is important that versions of this system are compatible among the agencies for transmitting and comparing data. Furthermore, it would be premature to make such changes to the TEIS until the work required in Section 221(16) regarding the budget structure of the Ferries Division is complete, including a potential restructuring of the ferries budget. For these reasons, I have vetoed Section 221(8).

Section 221(9), page 32, Department of Transportation, Ferry Operating Program, Restrictions on Use of Appropriations for Labor Costs

This proviso limits appropriations used for labor costs to obligations under collective bargaining agreements, civil service laws, and judgments. This limitation would prevent the Department of Transportation from paying legal and necessary labor costs that fall outside these constraints. For example, WSDOT would not be able to pay the salaries and benefits of exempt employees, travel reimbursement for all nonrepresented employees, or the cost of contractors who perform labor-related services from funds appropriated for labor costs. For this reason, I have vetoed Section 221(9).

Section 221(18), pages 34-35, Department of Transportation, Ferry Operating Program, Report Linking Vessel Asset Condition Reports with Vessel Life-Cycle Cost Model

This proviso requires the Department of Transportation to link vessel asset condition reports with its life-cycle cost model for integration with a vessel management system. It also requires WSDOT's 2013-15 budget request to provide a project scope for implementing a vessel asset management system. Predesign requirements, life-cycle cost model changes, asset condition ratings, proposed new management systems, and revised budget structures must be considered in total. To that end, I am directing the Office of Financial Management to convene a workgroup that includes staff from the legislative transportation committees to evaluate how these various requirements should be integrated and reflected in future budget instructions. Therefore, I have vetoed Section 221(18).

Section 305(6), page 40, Department of Transportation, Redistributed Federal Funds

Section 306(4), page 47, Department of Transportation, Redistributed Federal Funds

These provisos require that redistributed federal funds received by the Department of Transportation first be applied to offset planned expenditures of state funds, and second to offset planned expenditures of federal funds, on projects identified in the project list in the 2010 supplemental budget. If these options are not feasible, WSDOT must consult with the Joint Transportation Committee (JTC) prior to obligating redistributed federal funds. If such consultation is not feasible and Washington does not act quickly, we may lose the opportunity to receive redistributed federal funds. However, because input from the Legislature is important, I am directing WSDOT to consult with JTC members when possible. For this reason, I have vetoed Section 305(6) and Section 306(4).

Section 308(6), page 50, Department of Transportation, Ferry Capital Program, Restrictions on Use of Appropriations for Labor Costs

This proviso limits appropriations used for labor costs to obligations under collective bargaining agreements, civil service laws, and judgments. This limitation would prevent the Department of Transportation from paying legal and necessary labor costs that fall outside these constraints. For example, WSDOT would not be able to pay the salaries and benefits of exempt employees, travel reimbursement for all nonrepresented employees, or the cost of contractors who perform labor-related services from funds appropriated for labor costs. For this reason, I have vetoed Section 308(6).

Section 308(10), page 51, Department of Transportation, Ferry Capital Program, Review and Adjust Capital Funding Levels

This proviso requires the Department of Transportation to review and adjust its capital program staffing levels, compare the findings to a 2009 capital staffing level report, and report to the Office of Financial Management and the legislative transportation committees. WSDOT is currently

conducting a thorough review of its staffing levels in all program areas, including the Ferries Division, as it downsizes to meet diminishing revenues. Thus, this requirement specific to Ferries is unnecessary. Therefore, I have vetoed Section 308(10).

Section 308(12), page 51, Department of Transportation, Ferry Capital Program, Provide Cost-Benefit Analysis of Eagle Harbor Slips

This proviso requires the Department to conduct a cost-benefit analysis of replacing or repairing existing structures at the Eagle Harbor maintenance facility. A report is due to the Legislature by December 31, 2011. While I appreciate the need for a thoughtful cost-benefit analysis prior to any capital budget request, I cannot support another unfunded reporting mandate. I am directing the Office of Financial Management to ensure adequate provisions are included in the predesign manual and budget instructions to address these concerns. Therefore, I have vetoed Section 308(12).

Section 610, pages 73-74, Department of Transportation, Report on Department's Future Business Model

This section requires the Department of Transportation to report to the Joint Transportation Committee on its future business model staffing scenarios and method of program and project delivery. I understand the importance of tailoring the workforce both to reflect the ramping down of construction funded by the last two transportation revenue packages and to prepare for a potential new transportation revenue package. However, Section 608 also directs WSDOT to develop new business practices so that a smaller, more nimble workforce can effectively and efficiently deliver transportation projects. In addition, WSDOT is already conducting a thorough review of its staffing levels as it downsizes to meet diminishing revenues. Because this section is unnecessary, I have vetoed Section 610.

Section 706, pages 82-83, Department of Transportation, Exempts Ferries from Biodiesel Requirements for 2011-13

This section exempts ferries from the state biodiesel use requirement. By leveraging federal and private funding, we have made the infrastructure investments to provide biodiesel to ferries. We are moving forward with changes to state procurement contracts to help further reduce the cost of biodiesel and take advantage of available in-state production. If we walk away now, our state funding investments in the industry will be lost, our oilseed farming and refining jobs will move out of state, and we will be forced to pay more to transport biodiesel products from the midwest. The rising cost of gas serves to remind us that we must rely on ourselves, not other countries, for our economic security and safety. I am directing the Department of Transportation to use as much biodiesel as possible within its authorized budget. For these reasons, I have vetoed Section 706.

Section 714, pages 95-96, Marine Employees' Commission Duties Subject to Available Amounts Appropriated for Statutory Duties

RCW 47.64.280 creates the Marine Employees' Commission (MEC). Section 714 amends this statute to provide that MEC shall not perform its duties as identified in this section if funding is not provided. Because funding for MEC has not been provided, this section would prohibit it from performing its statutory duties. Among its duties, MEC adjudicates complaints, grievances, and disputes between labor and management arising out of the operation of the ferry system. A provision in a budget bill cannot extinguish the rights of employees and labor organizations to access MEC to resolve disputes. Changing or eliminating MEC duties should be the subject of a policy bill, not a provision in a two-year budget bill. For these reasons, I have vetoed Section 714.

Section 722, page 99, Toll Enforcement and Administration

During the 2010 legislative session, two separate pieces of legislation, SB 6379 and ESSB 6499, amended RCW 46.63.160 without reference to each other. This section repeals one of those amendments. However, this action is unnecessary because RCW 1.12.025 clearly provides that the amendments can be merged because they do not conflict in purpose. While ESSB 6499 made policy changes related to toll enforcement as we move to a statewide photo toll system, SB 6379 made technical changes to a variety of vehicle and vessel title and registration statutes intended to have no policy or substantive legal effect. For this reason, I have vetoed Section 722.

Section 817, pages 130-131, Department of Transportation

A reduction of \$7.5 million in the Multimodal Transportation Account-State appropriation was made in the Rail Operating program for the 2009-11 biennium because it was assumed that there would be offsetting Amtrak credits. Amtrak recently informed WSDOT that it had incorrectly calculated the credits. Vetoing this section will restore funding to 2010 levels and allow the Rail Operating

program the flexibility needed to close the 2009-11 Biennium. WSDOT is directed to report to the Office of Financial Management and legislative transportation committees on the total credits received from Amtrak. For these reasons, I have vetoed Section 817.

With the exception of Sections 103(3), 103(4), 204(2), 205(3), 208(11), 210(4), 210(6), 221(3), 221(4), 221(7), 221(8), 221(9), 221(18), 305(6), 306(4), 308(6), 308(10), 308(12), 610, 706, 714, 722, and 817, Engrossed Substitute House Bill 1175 is approved."

CHAPTER 368

[Substitute House Bill 1103]

MOTOR VEHICLES—USE OF TELEVISIONS

AN ACT Relating to the use of television viewers in motor vehicles; and amending RCW 46.37.480.

Be it enacted by the Legislature of the State of Washington:

Sec. 1. RCW 46.37.480 and 1996 c 34 s 1 are each amended to read as follows:

(1) No person shall drive any motor vehicle equipped with any television viewer, screen, or other means of visually receiving a television broadcast (~~((which is located in the motor vehicle at any point forward of the back of the driver's seat, or which is))~~ when the moving images are visible to the driver while operating the motor vehicle on a public road, except for live video of the motor vehicle backing up. This subsection does not apply to law enforcement vehicles communicating with mobile computer networks.

(2) No person shall operate any motor vehicle on a public highway while wearing any headset or earphones connected to any electronic device capable of receiving a radio broadcast or playing a sound recording for the purpose of transmitting a sound to the human auditory senses and which headset or earphones muffle or exclude other sounds. This subsection does not apply to students and instructors participating in a Washington state motorcycle safety program.

(3) This section does not apply to authorized emergency vehicles, motorcyclists wearing a helmet with built-in headsets or earphones as approved by the Washington state patrol, or motorists using hands-free, wireless communications systems, as approved by the equipment section of the Washington state patrol.

Passed by the House April 14, 2011.

Passed by the Senate April 1, 2011.

Approved by the Governor May 16, 2011.

Filed in Office of Secretary of State May 17, 2011.

CHAPTER 369

[Engrossed House Bill 1382]

EXPRESS TOLL LANDS—EASTSIDE CORRIDOR

AN ACT Relating to the use of express toll lanes in the eastside corridor; amending RCW 47.56.810; reenacting and amending RCW 43.84.092; adding new sections to chapter 47.56 RCW; creating a new section; and prescribing penalties.

Be it enacted by the Legislature of the State of Washington:

NEW SECTION. Sec. 1. The legislature recognizes that the Puget Sound region is faced with growing traffic congestion and has limited ability to expand freeway capacity due to financial, environmental, and physical constraints. Freeway high occupancy vehicle lanes have been an effective means of providing transit, vanpools, and carpools with a fast trip on congested freeway corridors, but in many cases, these lanes operate beyond their capacity during peak commute times.

It is the intent of the legislature to improve mobility for people and goods by maximizing the effectiveness of the freeway system. An express toll lanes network is one approach for managing the use of freeway high occupancy vehicle lanes and, at the same time, generating funds to improve the Interstate 405 and state route number 167 corridor. The legislature acknowledges that as one of the most congested freeway sections in the state, the combined Interstate 405 and state route number 167 corridor serves as an ideal candidate for the use of an express toll lanes network. An express toll lanes network could provide benefits for movement of vehicles and people, as well as having the potential to generate revenue for other improvements in the Interstate 405 and state route number 167 corridor, also known as the eastside corridor.

The legislature also recognizes the need for geographic balance and regional equity in decisions regarding tolling and pricing, and intends to consider the implementation of express toll lanes on other facilities in the region in the future. It is further the intent of the legislature to use its evaluation of initial express toll lanes on Interstate 405 to guide additions to the express toll lanes network, particularly in the most congested areas of the Interstate 405 and state route number 167 corridor, such as the Renton-to-Bellevue segment and the Interstate 405/state route number 167 interchange, with the ultimate goal of continuous express toll lanes from Puyallup to Lynnwood.

Therefore, it is the intent of this act to direct the department of transportation to develop and operate express toll lanes on Interstate 405 between the city of Bellevue on the south end and Interstate 5 on the north end and to conduct an evaluation of that project to determine the impacts on the movement of vehicles and people through the Interstate 405 and state route number 167 corridor, effectiveness for transit, carpools and single occupancy vehicles, and feasibility of financing capacity improvements through tolls.

Sec. 2. RCW 47.56.810 and 2008 c 122 s 3 are each amended to read as follows:

The definitions in this section apply throughout this subchapter unless the context clearly requires otherwise:

(1) "Tolling authority" means the governing body that is legally empowered to review and adjust toll rates. Unless otherwise delegated, the transportation commission is the tolling authority for all state highways.

(2) "Eligible toll facility" or "eligible toll facilities" means portions of the state highway system specifically identified by the legislature including, but not limited to, transportation corridors, bridges, crossings, interchanges, on-ramps, off-ramps, approaches, bistate facilities, and interconnections between highways.

(3) "Toll revenue" or "revenue from an eligible toll facility" means toll receipts, all interest income derived from the investment of toll receipts, and any gifts, grants, or other funds received for the benefit of the eligible toll facility.

(4) "Express toll lanes" means one or more high occupancy vehicle lanes of a highway in which the department charges tolls primarily as a means of regulating access to or use of the lanes to maintain travel speed and reliability.

NEW SECTION. Sec. 3. A new section is added to chapter 47.56 RCW under the subchapter heading "toll facilities created after July 1, 2008" to read as follows:

(1) The imposition of tolls for express toll lanes on Interstate 405 between the junctions with Interstate 5 on the north end and NE 6th Street in the city of Bellevue on the south end is authorized, Interstate 405 is designated an eligible toll facility, and toll revenue generated in the corridor must only be expended as allowed under RCW 47.56.820.

(2) Toll for the express toll lanes must be set as follows:

(a) The schedule of toll rates must be set by the tolling authority pursuant to RCW 47.56.850. Toll rates may vary in amount by time of day, level of traffic congestion within the highway facility, or other criteria, as the tolling authority deems appropriate.

(b) In those locations with two express toll lanes in each direction, the toll rate must be the same in both lanes.

(c) Toll charges may not be assessed on transit buses and vanpools.

(d) The department shall establish performance standards for travel time, speed, and reliability for the express toll lanes project. The department must automatically adjust the toll rate within the schedule established by the tolling authority, using dynamic tolling, to ensure that average vehicle speeds in the lanes remain above forty-five miles per hour at least ninety percent of the time during peak hours.

(e) The tolling authority shall periodically review the toll rates against traffic performance of all lanes to determine if the toll rates are effectively maintaining travel time, speed, and reliability on the highway facilities.

(3) The department may construct and operate express toll lanes on Interstate 405 between the city of Bellevue on the south end and Interstate 5 on the north end. Operation of the express toll lanes may not commence until the department has completed capacity improvements necessary to provide a two-lane system from NE 6th Street in the city of Bellevue to state route number 522 and the conversion of the existing high occupancy vehicle lane to an express toll lane between state route number 522 and the city of Lynnwood. Construction of the capacity improvements described in this subsection, including items that enable implementation of express toll lanes such as conduit and other underground features, must begin as soon as practicable. However, any contract term regarding tolling equipment, such as gantries, barriers, or cameras, for Interstate 405 may not take effect unless specific appropriation authority is provided in 2012 stating that funding is provided solely for tolling equipment on Interstate 405. The department shall work with local jurisdictions to minimize and monitor impacts to local streets and, after consultation with local jurisdictions, recommend mitigation measures to the legislature in those locations where it is appropriate.

(4) The department shall monitor the express toll lanes project and shall annually report to the transportation commission and the legislature on the impacts from the project on the following performance measures:

- (a) Whether the express toll lanes maintain speeds of forty-five miles per hour at least ninety percent of the time during peak periods;
 - (b) Whether the average traffic speed changed in the general purpose lanes;
 - (c) Whether transit ridership changed;
 - (d) Whether the actual use of the express toll lanes is consistent with the projected use;
 - (e) Whether the express toll lanes generated sufficient revenue to pay for all Interstate 405 express toll lane-related operating costs;
 - (f) Whether travel times and volumes have increased or decreased on adjacent local streets and state highways; and
 - (g) Whether the actual gross revenues are consistent with projected gross revenues as identified in the fiscal note for Engrossed House Bill No. 1382 distributed by the office of financial management on March 15, 2011.
- (5) If after two years of operation of the express toll lanes on Interstate 405 performance measures listed in subsection (4)(a) and (e) of this section are not being met, the express toll lanes project must be terminated as soon as practicable.
- (6) The department, in consultation with the transportation commission, shall consider making operational changes necessary to fix any unintended consequences of implementing the express toll lanes project.
- (7) A violation of the lane restrictions applicable to the express toll lanes established under this section is a traffic infraction.

NEW SECTION. Sec. 4. A new section is added to chapter 47.56 RCW under the subchapter heading "toll facilities created after July 1, 2008" to read as follows:

- (1)(a) The transportation commission shall retain appropriate independent experts and conduct a traffic and revenue analysis for the development of a forty-mile continuous express toll lane system that includes state route number 167 and Interstate 405. The analysis must include a review of the following variables within the express toll lane system:
- (i) Vehicles with two or more occupants are exempt from payment;
 - (ii) Vehicles with three or more occupants are exempt from payment;
 - (iii) A variable fee; and
 - (iv) A flat rate fee.
- (b) The department, in consultation with the transportation commission, shall develop a corridor-wide project management plan to develop a strategy for phasing the completion of improvements in the Interstate 405 and state route number 167 corridor.
- (2) The department, in consultation with the transportation commission, shall use the information from the traffic and revenue analysis and the corridor-wide project management plan to develop a finance plan to fund improvements in the Interstate 405 and state route number 167 corridor. The department must include the following elements in the finance plan:
- (a) Current state and federal funding contributions for projects in the Interstate 405 and state route number 167 corridor;
 - (b) A potential future state and federal funding contribution to leverage toll revenues;

(c) Financing mechanisms to optimize the revenue available for capacity improvements including, but not limited to, using the full faith and credit of the state;

(d) An express toll lane system operating in the Interstate 405 and state route number 167 corridor by 2014; and

(e) Completion of the capacity improvements in the Interstate 405 and state route number 167 corridor.

(3) The department and the transportation commission must consult with a committee consisting of local and state elected officials from the Interstate 405 and state route number 167 corridor and representatives from the transit agencies that operate in the Interstate 405 and state route number 167 corridor while developing the performance standards, traffic and revenue analysis, and finance plan.

(4) The transportation commission must provide the traffic and revenue analysis plan, and the department must provide the finance plan, to the governor and the legislature by January 2012. The department shall provide technical and other support as requested by the transportation commission to complete the plans identified in this subsection. Funds from Interstate 405 capital project appropriations may be used by the transportation commission through an interagency agreement with the department to cover the cost of the plans identified in this subsection.

(5) The department shall conduct ongoing education and outreach to ensure public awareness of the express toll lane system.

NEW SECTION. Sec. 5. A new section is added to chapter 47.56 RCW under the subchapter heading "toll facilities created after July 1, 2008" to read as follows:

The Interstate 405 express toll lanes operations account is created in the motor vehicle fund. All revenues received by the department as toll charges collected from Interstate 405 express toll lane users must be deposited into the account. Moneys in the account may be spent only after appropriation. Consistent with RCW 47.56.820, expenditures from the account may be used for debt service, planning, administration, construction, maintenance, operation, repair, rebuilding, enforcement, and the expansion of express toll lanes on Interstate 405.

Sec. 6. RCW 43.84.092 and 2010 1st sp.s. c 30 s 20, 2010 1st sp.s. c 9 s 7, 2010 c 248 s 6, 2010 c 222 s 5, 2010 c 162 s 6, and 2010 c 145 s 11 are each reenacted and amended to read as follows:

(1) All earnings of investments of surplus balances in the state treasury shall be deposited to the treasury income account, which account is hereby established in the state treasury.

(2) The treasury income account shall be utilized to pay or receive funds associated with federal programs as required by the federal cash management improvement act of 1990. The treasury income account is subject in all respects to chapter 43.88 RCW, but no appropriation is required for refunds or allocations of interest earnings required by the cash management improvement act. Refunds of interest to the federal treasury required under the cash management improvement act fall under RCW 43.88.180 and shall not require appropriation. The office of financial management shall determine the amounts due to or from

the federal government pursuant to the cash management improvement act. The office of financial management may direct transfers of funds between accounts as deemed necessary to implement the provisions of the cash management improvement act, and this subsection. Refunds or allocations shall occur prior to the distributions of earnings set forth in subsection (4) of this section.

(3) Except for the provisions of RCW 43.84.160, the treasury income account may be utilized for the payment of purchased banking services on behalf of treasury funds including, but not limited to, depository, safekeeping, and disbursement functions for the state treasury and affected state agencies. The treasury income account is subject in all respects to chapter 43.88 RCW, but no appropriation is required for payments to financial institutions. Payments shall occur prior to distribution of earnings set forth in subsection (4) of this section.

(4) Monthly, the state treasurer shall distribute the earnings credited to the treasury income account. The state treasurer shall credit the general fund with all the earnings credited to the treasury income account except:

(a) The following accounts and funds shall receive their proportionate share of earnings based upon each account's and fund's average daily balance for the period: The aeronautics account, the aircraft search and rescue account, the budget stabilization account, the capitol building construction account, the Cedar River channel construction and operation account, the Central Washington University capital projects account, the charitable, educational, penal and reformatory institutions account, the cleanup settlement account, the Columbia river basin water supply development account, the common school construction fund, the county arterial preservation account, the county criminal justice assistance account, the county sales and use tax equalization account, the deferred compensation administrative account, the deferred compensation principal account, the department of licensing services account, the department of retirement systems expense account, the developmental disabilities community trust account, the drinking water assistance account, the drinking water assistance administrative account, the drinking water assistance repayment account, the Eastern Washington University capital projects account, the Interstate 405 express toll lanes operations account, the education construction fund, the education legacy trust account, the election account, the energy freedom account, the energy recovery act account, the essential rail assistance account, The Evergreen State College capital projects account, the federal forest revolving account, the ferry bond retirement fund, the freight congestion relief account, the freight mobility investment account, the freight mobility multimodal account, the grade crossing protective fund, the public health services account, the health system capacity account, the high capacity transportation account, the state higher education construction account, the higher education construction account, the highway bond retirement fund, the highway infrastructure account, the highway safety account, the high occupancy toll lanes operations account, the hospital safety net assessment fund, the industrial insurance premium refund account, the judges' retirement account, the judicial retirement administrative account, the judicial retirement principal account, the local leasehold excise tax account, the local real estate excise tax account, the local sales and use tax account, the marine resources stewardship trust account, the medical aid account, the mobile home park relocation fund, the motor vehicle fund, the motorcycle safety education account, the multiagency

permitting team account, the multimodal transportation account, the municipal criminal justice assistance account, the municipal sales and use tax equalization account, the natural resources deposit account, the oyster reserve land account, the pension funding stabilization account, the perpetual surveillance and maintenance account, the public employees' retirement system plan 1 account, the public employees' retirement system combined plan 2 and plan 3 account, the public facilities construction loan revolving account beginning July 1, 2004, the public health supplemental account, the public transportation systems account, the public works assistance account, the Puget Sound capital construction account, the Puget Sound ferry operations account, the Puyallup tribal settlement account, the real estate appraiser commission account, the recreational vehicle account, the regional mobility grant program account, the resource management cost account, the rural arterial trust account, the rural Washington loan fund, the site closure account, the small city pavement and sidewalk account, the special category C account, the special wildlife account, the state employees' insurance account, the state employees' insurance reserve account, the state investment board expense account, the state investment board commingled trust fund accounts, the state patrol highway account, the state route number 520 civil penalties account, the state route number 520 corridor account, the supplemental pension account, the Tacoma Narrows toll bridge account, the teachers' retirement system plan 1 account, the teachers' retirement system combined plan 2 and plan 3 account, the tobacco prevention and control account, the tobacco settlement account, the transportation 2003 account (nickel account), the transportation equipment fund, the transportation fund, the transportation improvement account, the transportation improvement board bond retirement account, the transportation infrastructure account, the transportation partnership account, the traumatic brain injury account, the tuition recovery trust fund, the University of Washington bond retirement fund, the University of Washington building account, the urban arterial trust account, the volunteer firefighters' and reserve officers' relief and pension principal fund, the volunteer firefighters' and reserve officers' administrative fund, the Washington judicial retirement system account, the Washington law enforcement officers' and firefighters' system plan 1 retirement account, the Washington law enforcement officers' and firefighters' system plan 2 retirement account, the Washington public safety employees' plan 2 retirement account, the Washington school employees' retirement system combined plan 2 and 3 account, the Washington state health insurance pool account, the Washington state patrol retirement account, the Washington State University building account, the Washington State University bond retirement fund, the water pollution control revolving fund, and the Western Washington University capital projects account. Earnings derived from investing balances of the agricultural permanent fund, the normal school permanent fund, the permanent common school fund, the scientific permanent fund, and the state university permanent fund shall be allocated to their respective beneficiary accounts.

(b) Any state agency that has independent authority over accounts or funds not statutorily required to be held in the state treasury that deposits funds into a fund or account in the state treasury pursuant to an agreement with the office of the state treasurer shall receive its proportionate share of earnings based upon each account's or fund's average daily balance for the period.

(5) In conformance with Article II, section 37 of the state Constitution, no treasury accounts or funds shall be allocated earnings without the specific affirmative directive of this section.

Passed by the House April 15, 2011.

Passed by the Senate April 9, 2011.

Approved by the Governor May 16, 2011.

Filed in Office of Secretary of State May 17, 2011.

CHAPTER 370

[Engrossed Substitute House Bill 1635]

DRIVER LICENSING OFFICES—CUSTOMER WAIT TIMES

AN ACT Relating to reducing customer wait times at driver licensing offices; amending RCW 28A.220.030 and 46.20.515; reenacting and amending RCW 46.20.120; adding a new section to chapter 46.01 RCW; adding a new section to chapter 46.82 RCW; and creating new sections.

Be it enacted by the Legislature of the State of Washington:

NEW SECTION. Sec. 1. It is the intent of the legislature to utilize the infrastructure and resources of the commercial driver training schools and the school districts' traffic safety education programs by authorizing these entities to provide driver licensing examinations. The legislature intends for the department of licensing to authorize the administration of driver licensing examinations by these entities in order to maintain and reprioritize its staff for the purpose of reducing the wait times at its driver licensing offices.

Further, the legislature recognizes the growing importance of the work performed by department of licensing driver licensing services employees, who play an increasingly vital role in our security by ensuring that applicants are properly issued identification.

Sec. 2. RCW 28A.220.030 and 2000 c 115 s 9 are each amended to read as follows:

(1) The superintendent of public instruction is authorized to establish a section of traffic safety education, and through such section shall: Define a "realistic level of effort" required to provide an effective traffic safety education course, establish a level of driving competency required of each student to successfully complete the course, and ensure that an effective statewide program is implemented and sustained, administer, supervise, and develop the traffic safety education program and shall assist local school districts in the conduct of their traffic safety education programs. The superintendent shall adopt necessary rules and regulations governing the operation and scope of the traffic safety education program; and each school district shall submit a report to the superintendent on the condition of its traffic safety education program: **PROVIDED**, That the superintendent shall monitor the quality of the program and carry out the purposes of this chapter.

(2) The board of directors of any school district maintaining a secondary school which includes any of the grades 10 to 12, inclusive, may establish and maintain a traffic safety education course. If a school district elects to offer a traffic safety education course and has within its boundaries a private accredited secondary school which includes any of the grades 10 to 12, inclusive, at least

one class in traffic safety education shall be given at times other than regular school hours if there is sufficient demand therefor.

(3) The board of directors of a school district, or combination of school districts, may contract with any drivers' school licensed under the provisions of chapter 46.82 RCW to teach the laboratory phase of the traffic safety education course. Instructors provided by any such contracting drivers' school must be properly qualified teachers of traffic safety education under the joint qualification requirements adopted by the superintendent of public instruction and the director of licensing.

(4) The superintendent shall establish a required minimum number of hours of continuing traffic safety education for traffic safety education instructors. The superintendent may phase in the requirement over not more than five years.

(5) School districts that offer a traffic safety education program under this chapter may administer the portions of the driver licensing examination that test the applicant's knowledge of traffic laws and ability to safely operate a motor vehicle as authorized under RCW 46.20.120(7). The superintendent shall work with the department of licensing, in consultation with school districts that offer a traffic safety education program, to develop standards and requirements for administering each portion of the driver licensing examination that are comparable to the standards and requirements for driver training schools under section 6 of this act.

(6) Before a school district may provide a portion of the driver licensing examination, the school district must, after consultation with the superintendent, enter into an agreement with the department of licensing that sets forth an accountability and audit process that takes into account the unique nature of school district facilities and school hours and, at a minimum, contains provisions that:

(a) Allow the department of licensing to conduct random examinations, inspections, and audits without prior notice;

(b) Allow the department of licensing to conduct on-site inspections at least annually;

(c) Allow the department of licensing to test, at least annually, a random sample of the drivers approved by the school district for licensure and to cancel any driver's license that may have been issued to any driver selected for testing who refuses to be tested; and

(d) Reserve to the department of licensing the right to take prompt and appropriate action against a school district that fails to comply with state or federal standards for a driver licensing examination or to comply with any terms of the agreement.

NEW SECTION. Sec. 3. A new section is added to chapter 46.01 RCW to read as follows:

A civil suit or action may not be commenced or prosecuted against the director, the state of Washington, any driver training school licensed by the department, any other government officer or entity, including a school district or an employee of a school district, or against any other person, by reason of any act done or omitted to be done in connection with administering the portions of the driver licensing examination that test the applicant's knowledge of traffic laws and ability to safely operate a motor vehicle. This section does not bar the

state of Washington or the director from bringing any action, whether civil or criminal, against any driver training school licensed by the department.

Sec. 4. RCW 46.20.120 and 2005 c 314 s 306 and 2005 c 61 s 2 are each reenacted and amended to read as follows:

An applicant for a new or renewed driver's license must successfully pass a driver licensing examination to qualify for a driver's license. The department ~~((shall give))~~ must ensure that examinations are given at places and times reasonably available to the people of this state. If the department does not administer driver licensing examinations as a routine part of its licensing services within a department region because adequate testing sites are provided by driver training schools or school districts within that region, the department shall, at a minimum, administer driver licensing examinations by appointment to applicants eighteen years of age and older in at least one licensing office within that region.

(1) **Waiver.** The department may waive:

(a) All or any part of the examination of any person applying for the renewal of a driver's license unless the department determines that the applicant is not qualified to hold a driver's license under this title; or

(b) All or any part of the examination involving operating a motor vehicle if the applicant:

(i) Surrenders a valid driver's license issued by the person's previous home state; or

(ii) Provides for verification a valid driver's license issued by a foreign driver licensing jurisdiction with which the department has an informal agreement under RCW 46.20.125; and

(iii) Is otherwise qualified to be licensed.

(2) **Fee.** Each applicant for a new license must pay an examination fee of twenty dollars.

(a) The examination fee is in addition to the fee charged for issuance of the license.

(b) "New license" means a license issued to a driver:

(i) Who has not been previously licensed in this state; or

(ii) Whose last previous Washington license has been expired for more than five years.

(3) An application for driver's license renewal may be submitted by means of:

(a) Personal appearance before the department; or

(b) Mail or electronic commerce, if permitted by rule of the department and if the applicant did not renew his or her license by mail or by electronic commerce when it last expired. ~~((However, the department may accept an application for renewal of a driver's license submitted by means of mail or electronic commerce only if specific authority and funding is provided for this purpose by June 30, 2004, in the omnibus transportation appropriations act.))~~

(4) A person whose license expired or will expire while he or she is living outside the state, may:

(a) Apply to the department to extend the validity of his or her license for no more than twelve months. If the person establishes to the department's satisfaction that he or she is unable to return to Washington before the date his or her license expires, the department shall extend the person's license. The

department may grant consecutive extensions, but in no event may the cumulative total of extensions exceed twelve months. An extension granted under this section does not change the expiration date of the license for purposes of RCW 46.20.181. The department shall charge a fee of five dollars for each license extension;

(b) Apply to the department to renew his or her license by mail or, if permitted by rule of the department, by electronic commerce even if subsection (3)(b) of this section would not otherwise allow renewal by that means. If the person establishes to the department's satisfaction that he or she is unable to return to Washington within twelve months of the date that his or her license expires, the department shall renew the person's license by mail or, if permitted by rule of the department, by electronic commerce.

(5) If a qualified person submits an application for renewal under subsection (3)(b) or (4)(b) of this section, he or she is not required to pass an examination nor provide an updated photograph. A license renewed by mail or by electronic commerce that does not include a photograph of the licensee must be labeled "not valid for identification purposes."

(6) Driver training schools licensed by the department under chapter 46.82 RCW may administer the portions of the driver licensing examination that test the applicant's knowledge of traffic laws and ability to safely operate a motor vehicle.

(7) School districts that offer a traffic safety education program under chapter 28A.220 RCW may administer the portions of the driver licensing examination that test the applicant's knowledge of traffic laws and ability to safely operate a motor vehicle.

Sec. 5. RCW 46.20.515 and 2003 c 41 s 3 are each amended to read as follows:

(1) The motorcycle endorsement examination must emphasize maneuvers necessary for on-street operation, including emergency braking and turning as may be required to avoid an impending collision.

(2) The examination for a two-wheeled motorcycle endorsement and the examination for a three-wheeled motorcycle endorsement must be separate and distinct examinations emphasizing the skills and maneuvers necessary to operate each type of motorcycle.

(3) The department may authorize an entity that has entered into a contract under RCW 46.20.520 to administer the motorcycle endorsement examination.

(4) The department may waive all or part of the examination for persons who satisfactorily complete the voluntary motorcycle operator training and education program authorized under RCW 46.20.520 or who satisfactorily complete a private motorcycle skills education course that has been certified by the department under RCW 46.81A.020.

NEW SECTION. Sec. 6. A new section is added to chapter 46.82 RCW to read as follows:

(1) Driver training schools may administer the portions of the driver licensing examination that test the applicant's knowledge of traffic laws and ability to safely operate a motor vehicle as authorized under RCW 46.20.120(6).

(2) The director shall adopt rules to regulate the administration of the knowledge and driving portions of the driver licensing examination. The rules must include, but are not limited to, the following provisions:

(a) Limitations or requirements that determine which driver training schools may administer the knowledge portion of the examination;

(b) Limitations or requirements that determine which driver training schools may administer the driving portion of the examination;

(c) Requirements for the content and method of conducting the examinations to ensure consistency with industry practices;

(d) Requirements for recordkeeping;

(e) A requirement that all driver training school employees conducting driver licensing examinations meet the same qualifications and education and training standards as department employees who conduct such examinations, to the extent necessary to conduct the written and driving skills portions of the examinations;

(f) Requirements related to whether a driver training school staff member may provide both driver training instruction and the driver licensing examination to any one student;

(g) Requirements for retesting and expiring examination results;

(h) Requirements for the department to monitor outcomes for applicants who take a driver licensing examination through a driver training school and to make the outcomes available to the public;

(i) Requirements for annual auditing, which must include the collection of current information regarding insurance, curriculums, instructors' names and licenses, and a selection of random student files to review for accuracy; and

(j) Sanctions for violations of the rules adopted under this section.

(3) Before a driver training school may provide a portion of the driver licensing examination, it must enter into an agreement with the department that, at a minimum, contains provisions that:

(a) Allow the department to conduct random examinations, inspections, and audits without prior notice;

(b) Allow the department to conduct on-site inspections at least annually;

(c) Allow the department to test, at least annually, a random sample of the drivers approved by the driver training school for licensure and to cancel any driver's license that may have been issued to any driver selected for testing who refuses to be tested; and

(d) Reserve to the department the right to take prompt and appropriate action against a driver training school that fails to comply with state or federal standards for a driver licensing examination or to comply with any terms of the agreement.

NEW SECTION. Sec. 7. In communications facilitating the transition to driver training schools and school districts administering portions of the driver licensing examination, the department of licensing shall include at least one representative from each stakeholder group, including the superintendent of public instruction, driver training schools, the unions representing licensing services representatives, and the Washington state school directors' association.

Passed by the House April 15, 2011.

Passed by the Senate April 9, 2011.

Approved by the Governor May 16, 2011.
Filed in Office of Secretary of State May 17, 2011.

CHAPTER 371

[Engrossed Substitute House Bill 1967]

PUBLIC TRANSPORTATION SYSTEM PLANNING

AN ACT Relating to modifying provisions related to public transportation system planning; amending RCW 35.58.2795 and 35.58.2796; and adding a new section to chapter 43.19 RCW.

Be it enacted by the Legislature of the State of Washington:

Sec. 1. RCW 35.58.2795 and 1994 c 158 s 6 are each amended to read as follows:

By ~~((April))~~ September 1st of each year, the legislative authority of each municipality, as defined in RCW 35.58.272, and each regional transit authority shall prepare a six-year transit development plan for that calendar year and the ensuing five years. The program shall be consistent with the comprehensive plans adopted by counties, cities, and towns, pursuant to chapter 35.63, 35A.63, or 36.70 RCW, the inherent authority of a first-class city or charter county derived from its charter, or chapter 36.70A RCW. The program shall contain information as to how the municipality intends to meet state and local long-range priorities for public transportation, capital improvements, significant operating changes planned for the system, and how the municipality intends to fund program needs. The six-year plan for each municipality and regional transit authority shall specifically set forth those projects of regional significance for inclusion in the transportation improvement program within that region. Each municipality and regional transit authority shall file the six-year program with the state department of transportation, the transportation improvement board, and cities, counties, and regional planning councils within which the municipality is located.

In developing its program, the municipality and the regional transit authority shall consider those policy recommendations affecting public transportation contained in the state transportation policy plan approved by the state transportation commission and, where appropriate, adopted by the legislature. The municipality shall conduct one or more public hearings while developing its program and for each annual update.

Sec. 2. RCW 35.58.2796 and 2005 c 319 s 101 are each amended to read as follows:

(1) The department of transportation shall develop an annual report summarizing the status of public transportation systems in the state for the previous calendar year. By ~~((September))~~ December 1st of each year, ~~((copies of))~~ the report ~~((shall be submitted))~~ must be made available to the transportation committees of the legislature and to each municipality, as defined in RCW 35.58.272, and to individual members of the municipality's legislative authority.

(2) To assist the department with preparation of the report, each municipality shall file a system report by ~~((April))~~ September 1st of each year with the state department of transportation identifying its public transportation services for the previous calendar year and its objectives for improving the efficiency and effectiveness of those services. The system report shall address

those items required for each public transportation system in the department's report.

(3) The department report shall describe individual public transportation systems, including contracted transportation services and dial-a-ride services, and include a statewide summary of public transportation issues and data. The descriptions shall include the following elements and such other elements as the department deems appropriate after consultation with the municipalities and the transportation committees of the legislature:

~~((1))~~ (a) Equipment and facilities, including vehicle replacement standards;

~~((2))~~ (b) Services and service standards;

~~((3))~~ (c) Revenues, expenses, and ending balances, by fund source;

~~((4))~~ (d) Policy issues and system improvement objectives, including community participation in development of those objectives and how those objectives address statewide transportation priorities;

~~((5))~~ (e) Operating indicators applied to public transportation services, revenues, and expenses. Operating indicators shall include operating cost per passenger trip, operating cost per revenue vehicle service hour, passenger trips per revenue service hour, passenger trips per vehicle service mile, vehicle service hours per employee, and farebox revenue as a percent of operating costs.

(4) To the extent that information is available, the department report must include descriptive information on any other modes of public transportation, the impact of public transportation on transportation system performance, and how public transportation helps the state meet the transportation system policy goals described in RCW 47.04.280.

***NEW SECTION.** *Sec. 3. A new section is added to chapter 43.19 RCW to read as follows:*

New state facilities, to be located within the boundaries of a public transportation system identified under RCW 82.14.045, may only be sited after the department has consulted with the respective public transportation system to ensure that the new state facilities are located in an area that is adequately accessible by transit service.

*Sec. 3 was vetoed. See message at end of chapter.

Passed by the House April 14, 2011.

Passed by the Senate April 9, 2011.

Approved by the Governor May 16, 2011, with the exception of certain items that were vetoed.

Filed in Office of Secretary of State May 17, 2011.

Note: Governor's explanation of partial veto is as follows:

"I am returning herewith, without my approval as to Section 3, Engrossed Substitute House Bill 1967 entitled:

"AN ACT Relating to modifying provisions related to public transportation system planning."

Section 3 of the bill would require new state facilities located within a public transportation system to be sited in areas adequately accessible by transit service. Access to public transportation is a priority when siting state buildings. However, it is not always feasible or necessary for each state building to be served by public transportation, depending on the nature of the agency or institution and who it serves. Therefore, I am vetoing Section 3 of this bill. However, I have asked the

Department of General Administration to consult with transit agencies to assess the access to public transportation when siting state buildings.

For these reasons I have vetoed Section 3 of Engrossed Substitute House Bill 1967.

With the exception of Section 3, Engrossed Substitute House Bill 1967 is approved."

CHAPTER 372

[Substitute Senate Bill 5326]

NEGLIGENT DRIVING—SECOND DEGREE—VULNERABLE USER VICTIM

AN ACT Relating to negligent driving resulting in substantial bodily harm, great bodily harm, or death of a vulnerable user of a public way; amending RCW 46.63.070; reenacting and amending RCW 46.20.342; adding a new section to chapter 46.61 RCW; creating a new section; prescribing penalties; and providing an effective date.

Be it enacted by the Legislature of the State of Washington:

NEW SECTION. Sec. 1. A new section is added to chapter 46.61 RCW to read as follows:

(1) A person commits negligent driving in the second degree with a vulnerable user victim if, under circumstances not constituting negligent driving in the first degree, he or she operates a vehicle, as defined in RCW 46.04.670, in a manner that is both negligent and endangers or is likely to endanger any person or property, and he or she proximately causes the death, great bodily harm, or substantial bodily harm of a vulnerable user of a public way.

(2) The law enforcement officer or prosecuting authority issuing the notice of infraction for an offense under this section shall state on the notice of infraction that the offense was a proximate cause of death, great bodily harm, or substantial bodily harm, as defined in RCW 9A.04.110, of a vulnerable user of a public way.

(3) Persons under the age of sixteen who commit an infraction under this section are subject to the provisions of RCW 13.40.250.

(4) A person found to have committed negligent driving in the second degree with a vulnerable user victim shall be required to:

(a) Pay a monetary penalty of five thousand dollars, which may not be reduced to an amount less than one thousand dollars; and

(b) Have his or her driving privileges suspended for ninety days.

(5) In lieu of the penalties imposed under subsection (4) of this section, a person found to have committed negligent driving in the second degree with a vulnerable user victim who requests and personally appears for a hearing pursuant to RCW 46.63.070 (1) or (2) may elect to:

(a) Pay a penalty of two hundred fifty dollars;

(b) Attend traffic school for a number of days to be determined by the court pursuant to chapter 46.83 RCW;

(c) Perform community service for a number of hours to be determined by the court, which may not exceed one hundred hours, and which must include activities related to driver improvement and providing public education on traffic safety; and

(d) Submit certification to the court establishing that the requirements of this subsection have been met within one year of the hearing.

(6) If a person found to have committed a violation of this section elects the penalties imposed under subsection (5) of this section, the court may impose the

penalties under subsection (5) of this section and the court may assess costs as the court deems appropriate for administrative processing.

(7) Except as provided in (b) of this subsection, if a person found to have committed a violation of this section elects the penalties under subsection (5) of this section but does not complete all requirements of subsection (5) of this section within one year of the hearing:

(a)(i) The court shall impose a monetary penalty in the amount of five thousand dollars, which may not be reduced to an amount less than one thousand dollars; and

(ii) The person's driving privileges shall be suspended for ninety days.

(b) For good cause shown, the court may extend the period of time in which the person must complete the requirements of subsection (5) of this section before any of the penalties provided in this subsection are imposed.

(8) An offense under this section is a traffic infraction. To the extent not inconsistent with this section, the provisions of chapter 46.63 RCW shall apply to infractions under this section. Procedures for the conduct of all hearings provided for in this section may be established by rule of the supreme court.

(9) If a person is penalized under subsection (4) of this section, then the court shall notify the department, and the department shall suspend the person's driving privileges. If a person fails to meet the requirements of subsection (5) of this section, the court shall notify the department that the person has failed to meet the requirements of subsection (5) of this section and the department shall suspend the person's driving privileges. Notice provided by the court under this subsection must be in a form specified by the department.

(10) Any act prohibited by this section that also constitutes a crime under any other law of this state may be the basis of prosecution under such other law notwithstanding that it may also be the basis for prosecution under this section.

(11) For the purposes of this section:

(a) "Great bodily harm" and "substantial bodily harm" have the same meaning as provided in RCW 9A.04.110.

(b) "Negligent" has the same meaning as provided in RCW 46.61.525(2).

(c) "Vulnerable user of a public way" means:

(i) A pedestrian;

(ii) A person riding an animal; or

(iii) A person operating any of the following on a public way:

(A) A farm tractor or implement of husbandry, without an enclosed shell;

(B) A bicycle;

(C) An electric-assisted bicycle;

(D) An electric personal assistive mobility device;

(E) A moped;

(F) A motor-driven cycle;

(G) A motorized foot scooter; or

(H) A motorcycle.

Sec. 2. RCW 46.20.342 and 2010 c 269 s 7 and 2010 c 252 s 4 are each reenacted and amended to read as follows:

(1) It is unlawful for any person to drive a motor vehicle in this state while that person is in a suspended or revoked status or when his or her privilege to drive is suspended or revoked in this or any other state. Any person who has a valid Washington driver's license is not guilty of a violation of this section.

(a) A person found to be ~~((an))~~ a habitual offender under chapter 46.65 RCW, who violates this section while an order of revocation issued under chapter 46.65 RCW prohibiting such operation is in effect, is guilty of driving while license suspended or revoked in the first degree, a gross misdemeanor. Upon the first such conviction, the person shall be punished by imprisonment for not less than ten days. Upon the second conviction, the person shall be punished by imprisonment for not less than ninety days. Upon the third or subsequent conviction, the person shall be punished by imprisonment for not less than one hundred eighty days. If the person is also convicted of the offense defined in RCW 46.61.502 or 46.61.504, when both convictions arise from the same event, the minimum sentence of confinement shall be not less than ninety days. The minimum sentence of confinement required shall not be suspended or deferred. A conviction under this subsection does not prevent a person from petitioning for reinstatement as provided by RCW 46.65.080.

(b) A person who violates this section while an order of suspension or revocation prohibiting such operation is in effect and while the person is not eligible to reinstate his or her driver's license or driving privilege, other than for a suspension for the reasons described in (c) of this subsection, is guilty of driving while license suspended or revoked in the second degree, a gross misdemeanor. For the purposes of this subsection, a person is not considered to be eligible to reinstate his or her driver's license or driving privilege if the person is eligible to obtain an ignition interlock driver's license but did not obtain such a license. This subsection applies when a person's driver's license or driving privilege has been suspended or revoked by reason of:

(i) A conviction of a felony in the commission of which a motor vehicle was used;

(ii) A previous conviction under this section;

(iii) A notice received by the department from a court or diversion unit as provided by RCW 46.20.265, relating to a minor who has committed, or who has entered a diversion unit concerning an offense relating to alcohol, legend drugs, controlled substances, or imitation controlled substances;

(iv) A conviction of RCW 46.20.410, relating to the violation of restrictions of an occupational driver's license, a temporary restricted driver's license, or an ignition interlock driver's license;

(v) A conviction of RCW 46.20.345, relating to the operation of a motor vehicle with a suspended or revoked license;

(vi) A conviction of RCW 46.52.020, relating to duty in case of injury to or death of a person or damage to an attended vehicle;

(vii) A conviction of RCW 46.61.024, relating to attempting to elude pursuing police vehicles;

(viii) A conviction of RCW 46.61.212(4), relating to reckless endangerment of emergency zone workers;

(ix) A conviction of RCW 46.61.500, relating to reckless driving;

(x) A conviction of RCW 46.61.502 or 46.61.504, relating to a person under the influence of intoxicating liquor or drugs;

(xi) A conviction of RCW 46.61.520, relating to vehicular homicide;

(xii) A conviction of RCW 46.61.522, relating to vehicular assault;

(xiii) A conviction of RCW 46.61.527(4), relating to reckless endangerment of roadway workers;

(xiv) A conviction of RCW 46.61.530, relating to racing of vehicles on highways;

(xv) A conviction of RCW 46.61.685, relating to leaving children in an unattended vehicle with motor running;

(xvi) A conviction of RCW 46.61.740, relating to theft of motor vehicle fuel;

(xvii) A conviction of RCW 46.64.048, relating to attempting, aiding, abetting, coercing, and committing crimes;

(xviii) An administrative action taken by the department under chapter 46.20 RCW; ~~((ϵ))~~

(xix) A conviction of a local law, ordinance, regulation, or resolution of a political subdivision of this state, the federal government, or any other state, of an offense substantially similar to a violation included in this subsection; or

(xx) A finding that a person has committed a traffic infraction under section 1 of this act and suspension of driving privileges pursuant to section 1 (4)(b) or (7)(a)(ii) of this act.

(c) A person who violates this section when his or her driver's license or driving privilege is, at the time of the violation, suspended or revoked solely because (i) the person must furnish proof of satisfactory progress in a required alcoholism or drug treatment program, (ii) the person must furnish proof of financial responsibility for the future as provided by chapter 46.29 RCW, (iii) the person has failed to comply with the provisions of chapter 46.29 RCW relating to uninsured accidents, (iv) the person has failed to respond to a notice of traffic infraction, failed to appear at a requested hearing, violated a written promise to appear in court, or has failed to comply with the terms of a notice of traffic infraction or citation, as provided in RCW 46.20.289, (v) the person has committed an offense in another state that, if committed in this state, would not be grounds for the suspension or revocation of the person's driver's license, (vi) the person has been suspended or revoked by reason of one or more of the items listed in (b) of this subsection, but was eligible to reinstate his or her driver's license or driving privilege at the time of the violation, or (vii) the person has received traffic citations or notices of traffic infraction that have resulted in a suspension under RCW 46.20.267 relating to intermediate drivers' licenses, or any combination of (c)(i) through (vii) of this subsection, is guilty of driving while license suspended or revoked in the third degree, a misdemeanor. For the purposes of this subsection, a person is not considered to be eligible to reinstate his or her driver's license or driving privilege if the person is eligible to obtain an ignition interlock driver's license but did not obtain such a license.

(2) Upon receiving a record of conviction of any person or upon receiving an order by any juvenile court or any duly authorized court officer of the conviction of any juvenile under this section, the department shall:

(a) For a conviction of driving while suspended or revoked in the first degree, as provided by subsection (1)(a) of this section, extend the period of administrative revocation imposed under chapter 46.65 RCW for an additional period of one year from and after the date the person would otherwise have been entitled to apply for a new license or have his or her driving privilege restored; or

(b) For a conviction of driving while suspended or revoked in the second degree, as provided by subsection (1)(b) of this section, not issue a new license

or restore the driving privilege for an additional period of one year from and after the date the person would otherwise have been entitled to apply for a new license or have his or her driving privilege restored; or

(c) Not extend the period of suspension or revocation if the conviction was under subsection (1)(c) of this section. If the conviction was under subsection (1)(a) or (b) of this section and the court recommends against the extension and the convicted person has obtained a valid driver's license, the period of suspension or revocation shall not be extended.

Sec. 3. RCW 46.63.070 and 2006 c 327 s 7 are each amended to read as follows:

(1) Any person who receives a notice of traffic infraction shall respond to such notice as provided in this section within fifteen days of the date of the notice.

(2) If the person determined to have committed the infraction does not contest the determination the person shall respond by completing the appropriate portion of the notice of infraction and submitting it, either by mail or in person, to the court specified on the notice. A check or money order in the amount of the penalty prescribed for the infraction must be submitted with the response. When a response which does not contest the determination is received, an appropriate order shall be entered in the court's records, and a record of the response and order shall be furnished to the department in accordance with RCW 46.20.270.

(3) If the person determined to have committed the infraction wishes to contest the determination the person shall respond by completing the portion of the notice of infraction requesting a hearing and submitting it, either by mail or in person, to the court specified on the notice. The court shall notify the person in writing of the time, place, and date of the hearing, and that date shall not be sooner than seven days from the date of the notice, except by agreement.

(4) If the person determined to have committed the infraction does not contest the determination but wishes to explain mitigating circumstances surrounding the infraction the person shall respond by completing the portion of the notice of infraction requesting a hearing for that purpose and submitting it, either by mail or in person, to the court specified on the notice. The court shall notify the person in writing of the time, place, and date of the hearing.

(5)(a) Except as provided in (b) (~~and~~), (c), and (d) of this subsection, in hearings conducted pursuant to subsections (3) and (4) of this section, the court may defer findings, or in a hearing to explain mitigating circumstances may defer entry of its order, for up to one year and impose conditions upon the defendant the court deems appropriate. Upon deferring findings, the court may assess costs as the court deems appropriate for administrative processing. If at the end of the deferral period the defendant has met all conditions and has not been determined to have committed another traffic infraction, the court may dismiss the infraction.

(b) A person may not receive more than one deferral within a seven-year period for traffic infractions for moving violations and more than one deferral within a seven-year period for traffic infractions for nonmoving violations.

(c) A person who is the holder of a commercial driver's license or who was operating a commercial motor vehicle at the time of the violation may not receive a deferral under this section.

(d) A person who commits negligent driving in the second degree with a vulnerable user victim may not receive a deferral for this infraction under this section.

(6) If any person issued a notice of traffic infraction:

(a) Fails to respond to the notice of traffic infraction as provided in subsection (2) of this section; or

(b) Fails to appear at a hearing requested pursuant to subsection (3) or (4) of this section;

the court shall enter an appropriate order assessing the monetary penalty prescribed for the traffic infraction and any other penalty authorized by this chapter and shall notify the department in accordance with RCW 46.20.270, of the failure to respond to the notice of infraction or to appear at a requested hearing.

NEW SECTION. Sec. 4. This act applies to infractions committed on or after the effective date of this section.

NEW SECTION. Sec. 5. This act takes effect July 1, 2012.

Passed by the Senate April 18, 2011.

Passed by the House April 1, 2011.

Approved by the Governor May 16, 2011.

Filed in Office of Secretary of State May 17, 2011.

CHAPTER 373

[Engrossed Substitute Senate Bill 5457]

CONGESTION REDUCTION CHARGES

AN ACT Relating to providing a congestion reduction charge to fund the operational and capital needs of transit agencies; adding a new section to chapter 82.80 RCW; adding a new section to chapter 46.68 RCW; creating a new section; and providing an expiration date.

Be it enacted by the Legislature of the State of Washington:

NEW SECTION. Sec. 1. The legislature recognizes that public transportation provides many benefits to the citizens of the state and the environment, including through public transportation's ability to alleviate congestion and offset the burdens placed by general vehicular traffic on the state's transportation infrastructure. In these challenging economic times, many transit agencies find themselves struggling to continue to provide a level of service that reduces congestion.

The legislature further recognizes that King county conducted a regional transit task force in 2010 that considered a policy framework for the potential future growth and, if necessary, contraction of King county's transit system. The task force members were selected to represent a broad diversity of interests and perspectives. The task force recommendations, which were unanimously accepted, addressed key elements, such as the adoption of performance measures, controlling operating costs, developing policy guidance for making service reductions, and clear and transparent guidelines for service allocation. As a result of the work done by the task force and King county's commitment to comply with the recommendations, it is the intent of the legislature that King county be provided the opportunity to impose a temporary congestion reduction charge, which is separate and distinct from the base motor vehicle license fee,

that can help address its revenue shortfalls during this economic crisis and allow it to continue reducing congestion and the corresponding burdens placed on the highway system on some of the state's most crowded corridors.

The legislature recognizes that the title of Initiative Measure No. 1053 states that it applies only to tax and fee increases imposed by state government, and that the text of the initiative requires a two-thirds majority only for tax increases. The legislature further recognizes that Initiative Measure No. 1053 does not apply to local government. Despite these facts, this act requires a two-thirds majority of the metropolitan King county council in order to implement a local option fee, in the form of a congestion reduction charge, to help fund King county metro transit service. Faced with the potential loss of hundreds of thousands of hours of vital transit service, it is the intent of the legislature to provide King county with this temporary local option funding mechanism. It is further the intent of the legislature not to expand the parameters of Initiative Measure No. 1053 beyond what the voters intended and thus interfere with local control or limit the ability of local governments to provide services to the people of Washington.

NEW SECTION. Sec. 2. A new section is added to chapter 82.80 RCW to read as follows:

(1)(a) Except as provided in subsection (2) of this section, the governing body of a county that has assumed the rights, powers, functions, and obligations of a metropolitan municipal corporation under chapter 36.56 RCW and is operating a public transportation system may impose, if approved by a majority of the voters within that county or a two-thirds majority of the governing body, an annual congestion reduction charge of up to twenty dollars per vehicle registered in the boundaries of the county for each vehicle subject to vehicle license fees under RCW 46.17.350(1) (a), (c), (d), (e), (g), (h), (j), (n), (o), (p), or (q) and for each vehicle subject to gross weight license fees under RCW 46.17.355 with an unladen weight of six thousand pounds or less.

(b) Prior to the imposition of a congestion reduction charge authorized under (a) of this subsection, a governing body must complete a congestion reduction plan indicating the proposed expenditures of the proceeds of the congestion reduction charge.

(c) If a governing body that imposes a congestion reduction charge authorized under (a) of this subsection completed a regional transit task force evaluating system improvements and efficiencies within two years prior to the imposition of the charge, the proceeds from the charge must be expended in a manner consistent with the recommendations of the regional transit task force.

(d) A governing body that imposes a congestion reduction charge authorized under (a) of this subsection must complete a report by July 1, 2012, detailing the expenditures of the proceeds of the congestion reduction charge through June 1, 2012.

(e) A governing body that imposes a congestion reduction charge authorized under (a) of this subsection must complete a report by June 1, 2014, detailing the expenditures of the proceeds of the congestion reduction charge.

(2) The governing body of a county that has assumed the rights, powers, functions, and obligations of a metropolitan municipal corporation under chapter 36.56 RCW and is operating a public transportation system may not impose a congestion reduction charge authorized under subsection (1)(a) of this section

for a passenger-only ferry transportation improvement, unless the charge is first approved by a majority of the voters within that county.

(3) The governing body of a county that has assumed the rights, powers, functions, and obligations of a metropolitan municipal corporation under chapter 36.56 RCW and is operating a public transportation system shall contract with the department of licensing as provided under section 3 of this act for the collection of the congestion reduction charge.

(4) A congestion reduction charge imposed under this section may not be assessed until six months after approval.

(5) A congestion reduction charge imposed under this section applies only for vehicle registration renewals and is effective upon the registration renewal date as provided by the department of licensing.

(6) The following vehicles are exempt from the congestion reduction charge imposed under this section:

(a) Farm tractors or farm vehicles as defined in RCW 46.04.180 and 46.04.181;

(b) Off-road vehicles as defined in RCW 46.04.365;

(c) Nonhighway vehicles as defined in RCW 46.09.310;

(d) Vehicles registered under chapter 46.87 RCW and the international registration plan; and

(e) Snowmobiles as defined in RCW 46.04.546.

(7) The authority to impose a congestion reduction charge authorized in subsection (1)(a) of this section expires with vehicle registrations that expire two years after the imposition of the charge or no later than June 30, 2014, whichever comes first.

(8) A congestion reduction charge authorized under subsection (1)(a) of this section may only be imposed after June 30, 2014, if approved by a majority of the voters within a county that has assumed the rights, powers, functions, and obligations of a metropolitan municipal corporation under chapter 36.56 RCW and is operating a public transportation system.

(9) This section expires December 31, 2014.

NEW SECTION. Sec. 3. A new section is added to chapter 46.68 RCW to read as follows:

Whenever the department enters into a contract with the governing body of a county that has assumed the rights, powers, functions, and obligations of a metropolitan municipal corporation under chapter 36.56 RCW and is operating a public transportation system for the collection of congestion reduction charges authorized under section 2 of this act:

(1) The contract must require that the governing body provide any information specified by the department to identify the vehicle owners who owe the congestion reduction charges, and must specify that it is the responsibility of the governing body to ensure that the congestion reduction charges are appropriately applied;

(2) The department is not responsible for the collection of congestion reduction charges until a date agreed to by both parties as specified in the contract;

(3) The department shall deduct a percentage amount as provided in the contract, not to exceed three percent of the charges collected, necessary to

reimburse the department for the costs incurred for the collection of the congestion reduction charges; and

(4) The department shall remit remaining proceeds to the custody of the state treasurer. The state treasurer shall distribute the proceeds to the governing body on a monthly basis.

Passed by the Senate April 22, 2011.

Passed by the House April 21, 2011.

Approved by the Governor May 16, 2011.

Filed in Office of Secretary of State May 17, 2011.

CHAPTER 374

[Substitute Senate Bill 5502]

LIMOUSINE CARRIERS

AN ACT Relating to the regulation, operations, and safety of limousine carriers; amending RCW 46.72A.010, 46.72A.020, 46.72A.030, 46.72A.040, 46.72A.050, 46.72A.060, 46.72A.080, 46.72A.090, 46.72A.100, 46.72A.120, and 46.72A.140; adding new sections to chapter 46.72A RCW; creating a new section; prescribing penalties; and providing effective dates.

Be it enacted by the Legislature of the State of Washington:

Sec. 1. RCW 46.72A.010 and 1996 c 87 s 4 are each amended to read as follows:

The legislature finds and declares that privately operated limousine transportation service is a vital part of the transportation system within the state and provides prearranged transportation services to state residents, tourists, and out-of-state business people. Consequently, the safety, reliability, and stability of privately operated limousine transportation services are matters of statewide importance. The regulation of privately operated limousine transportation services is thus an essential governmental function. Therefore, it is the intent of the legislature to permit the department and a port district in a county with a population of one million or more to regulate limousine transportation services without liability under federal antitrust laws. It is further the intent of the legislature to authorize a city with a population of five hundred thousand or more to enforce this chapter through a joint agreement with the department, and to direct the department to provide annual funding from limousine regulation-related fees that provide sufficient funds to such a city to provide delegated enforcement.

Sec. 2. RCW 46.72A.020 and 1996 c 87 s 5 are each amended to read as follows:

~~((All limousine carriers must operate from a main office and may have satellite offices. However, no office may be solely in a vehicle of any type. All arrangements for the carrier's services must be made through its offices and dispatched to the carrier's vehicles.))~~

(1) Contact by a customer or customer's agent to engage the services of a carrier's limousine must be initiated by a customer or customer's agent at a time and place different from the customer's time and place of departure. The fare for service must be agreed upon prior to departure. Under no circumstances may customers or customers' agents make arrangements ~~((for immediate rental of a carrier's vehicle with the driver of the vehicle))~~ to immediately engage the

services of a carrier's limousine with the chauffeur, even if the ((driver)) chauffeur is an owner or officer of the company, with the single exception of stand-hail limousines only at a facility owned and operated by a port district in a county with a population of one million or more that are licensed and restricted by the rules and policies set forth by the port district.

(2) At the time of the conduct of the commercial limousine business, the chauffeur of a limousine and the limousine carrier business must possess written or electronic records substantiating the prearrangement of the carrier's services for any customer carried for compensation, except for vehicles meeting the requirements of the exception for stand-hail limousines described in subsection (1) of this section. Limousine carriers and limousine chauffeurs operating as an independent business must list a physical address on their master business license where records substantiating the prearrangement of the carrier's services may be reviewed by an enforcement officer. A limousine carrier must retain these records for a minimum of one calendar year, and failure to do so is a class 3 civil infraction against the carrier for each record that is missing or fails to include all of the information described in rules adopted under subsection (4) of this section.

(3) Limousine carriers and limousine chauffeurs operating as an independent business must list a telephone or pager number that is used to prearrange the carrier's services for any customer carried for compensation.

(4) The department shall adopt rules specifying the content and retention schedule of the records required for compliance with subsection (2) of this section.

(5) The failure of a chauffeur who is operating a limousine to immediately provide, on demand by an enforcement officer, written or electronic records required by the department substantiating the prearrangement of the carrier's services for any customer carried for compensation, except for limousines meeting the requirements of the exception for stand-hail limousines described in subsection (1) of this section, is a class 2 civil infraction and is subject to monetary penalties under RCW 7.80.120. It is a class 1 civil infraction for a repeat offense under this subsection during the same calendar year.

(6) The department shall define by rule conditions under which a chauffeur is considered to be operating a limousine, including when the limousine is parked in a designated passenger load zone.

Sec. 3. RCW 46.72A.030 and 1996 c 87 s 6 are each amended to read as follows:

(1) The department, in conjunction with the Washington state patrol, shall regulate limousine carriers with respect to entry, safety of equipment, chauffeur qualifications, and operations. The department shall adopt rules and require such reports as are necessary to carry out this chapter. The department may develop penalties for failure to comply with this section.

(2) In addition, a port district in a county with a population of one million or more may regulate limousine carriers with respect to entry, safety of equipment, chauffeur qualifications, and operations. The county in which the port district is located may adopt ordinances and rules to assist the port district in enforcement of limousine regulations only at port facilities. In no event may this be construed to grant the county the authority to regulate limousines within its jurisdiction.

The port district may not set limousine rates, but the limousine carriers shall file their rates and schedules with the port district if requested.

(3) The department, a port district in a county with a population of at least one million, or a county in which the port district is located may enter into cooperative agreements for the joint regulation of limousines.

(4) The department and a city with a population of five hundred thousand or more may enter into cooperative agreements as provided in section 12 of this act, subject to the limitations set forth in RCW 46.72A.130.

(5) The Washington state patrol shall annually conduct a vehicle inspection of each limousine licensed under this chapter, except when a port district (~~regulates~~), or a city with a population of five hundred thousand or more, enforces limousine carrier(s) regulations under subsection (2) or (4) of this section, that port district or county in which the port (~~district~~) district is located (~~shall~~), or a city with a population of five hundred thousand or more, may conduct the annual limousine vehicle inspection and random limousine vehicle inspections in conjunction with limousine regulation enforcement activities, provided that the inspection criteria and fees are substantially the same regardless of the authority conducting the inspection. Random limousine vehicle inspections may not be conducted while the limousine contains customers. The state patrol, the city, or the port district (~~, or the county~~) conducting the annual limousine vehicle inspection may impose an annual vehicle inspection fee and reinspection fee. A carrier must pay a reinspection fee if a limousine fails inspection for compliance with vehicle standards and is reinspected. If the limousine passes the first reinspection within thirty days of failing the original inspection, all of the reinspection fee must be refunded to the carrier. However, refunds are not available for subsequent reinspections. While a limousine is licensed by the department for commercial limousine use, failure to comply with vehicle inspection standards, established by the department by rule, is a class 3 civil infraction against the carrier, with monetary penalties against the carrier as specified in RCW 7.80.120, for each violation of a safety requirement. It is a class 4 civil infraction for each violation of other vehicle standards, with monetary penalties against the carrier as specified in RCW 7.80.120, and the limousine vehicle certificate must be summarily suspended until safety violations of vehicle standards are corrected and the limousine is reinspected.

Sec. 4. RCW 46.72A.040 and 1996 c 87 s 7 are each amended to read as follows:

Except when a port district regulates limousine carriers under RCW 46.72A.030 or a city with a population of five hundred thousand or more is authorized under section 12 of this act to enforce state laws or rules applicable to limousine carriers, limousines, and chauffeurs, subject to the limitations set forth in section 12 of this act, the state of Washington fully occupies and preempts the entire field of regulation over limousine carriers as regulated by this chapter. Cities, towns, and counties or other municipalities may enact only those laws and ordinances relating to limousine carriers that are consistent with this chapter.

Sec. 5. RCW 46.72A.050 and 1996 c 87 s 8 are each amended to read as follows:

(1) No limousine carrier may operate a limousine upon the highways of this state without first ~~((obtaining a business license from the department. The applicant shall forward an application for a business license to the department along with a fee established by rule. Upon approval of the application, the department shall issue a business license and unified business identifier authorizing the carrier to operate limousines upon the highways of this state))~~ being properly registered as a business in Washington and having been issued a unified business identifier.

(2) In addition, a limousine carrier shall ~~((annually))~~ obtain~~((, upon payment of the appropriate fee,))~~ from the department a limousine carrier license for the business and a ~~((vehicle))~~ limousine vehicle certificate for each limousine operated by the carrier. The limousine carrier license and limousine vehicle certificates must be renewed through the department annually or as may be required by the department. The department shall establish by rule the procedure for obtaining, and the fees for, the limousine carrier license and limousine vehicle certificate. It is a class 1 civil infraction, with monetary penalties against the carrier as specified in RCW 7.80.120, for each day that a limousine is operated without a valid limousine carrier license or valid limousine vehicle certificate required under this subsection.

Sec. 6. RCW 46.72A.060 and 2003 c 53 s 251 are each amended to read as follows:

(1) The department shall require limousine carriers to obtain and continue in effect, liability and property damage insurance from a company licensed to sell liability insurance in this state for each limousine used to transport persons for compensation.

(2) The department shall fix ~~((the amount of))~~ by rule coverages and limits, and prohibit provisions that limit coverage, for the insurance policy or policies, giving consideration to the character and amount of traffic, the number of persons affected, and the degree of danger that the proposed operation involves. The limousine carrier must maintain the liability and property damage insurance in force on each ~~((motor propelled vehicle while so used))~~ limousine while licensed by the department.

(3) Failure to file and maintain in effect the insurance required under this section is a gross misdemeanor and the limousine vehicle certificate must be summarily suspended. It is a class 1 civil infraction, with monetary penalties against the carrier as specified in RCW 7.80.120, for each day that a carrier operates a limousine with a summarily suspended limousine vehicle certificate.

Sec. 7. RCW 46.72A.080 and 1997 c 193 s 1 are each amended to read as follows:

(1) No limousine carrier may advertise without listing the carrier's unified business identifier issued by the department in the advertisement and specifying the type of service offered as provided in RCW 46.04.274. No limousine carrier may advertise or hold itself out to the public as providing taxicab transportation services.

(2) All advertising, contracts, correspondence, cards, signs, posters, papers, and documents that show a limousine carrier's name or address shall list the carrier's unified business identifier and the type of service offered. The alphabetized listing of limousine carriers appearing in the advertising sections of

telephone books or other directories and all advertising that shows the carrier's name or address must show the carrier's current unified business identifier.

(3) Advertising in the alphabetical listing in a telephone directory need not contain the carrier's certified business identifier.

~~(4) ((Advertising by electronic transmission need not contain the carrier's unified business identifier if the carrier provides it to the person selling the advertisement and it is recorded in the advertising contract.~~

~~(5)) It is a ((gross misdemeanor)) violation, subject to a fine of up to five thousand dollars per violation, for a person to (a) falsify a unified business identifier or use a false or inaccurate unified business identifier; (b) fail to specify the type of service offered; ((or)) (c) advertise or otherwise hold itself out to the public as providing taxicab transportation services in connection with a solicitation or identification as an authorized limousine carrier; or (d) conduct commercial limousine business without a valid limousine carrier license or valid limousine vehicle certificate as required under this chapter, unless licensed as a charter party carrier under chapter 81.70 RCW.~~

~~(5) If the basis for the violation is advertising, each advertisement reproduced, broadcast, or displayed via a particular medium constitutes a separate violation.~~

~~(6) In deciding the amount of penalty to be imposed per violation, the department shall consider the following factors:~~

~~(a) The carrier's willingness to comply with the department's rules under this chapter; and~~

~~(b) The carrier's history with respect to compliance with this section.~~

~~(7) It is a class 1 civil infraction, with monetary penalties against the chauffeur as specified in RCW 7.80.120, for a chauffeur to:~~

~~(a) Solicit or assign customers directly or through a third party for immediate, nonprearranged limousine service pick up as described in section 2(1) of this act; or~~

~~(b) Offer payment to a third party to solicit customers for limousine service pick up without current copies of a written contract regarding such services on file at the third party's business. Copies of the current written contract must be stored and made available on both the third party's and limousine carrier's business premises. Limousine vehicles engaged in the services detailed in the contract must carry a certificate verifying existence of a current contract between the parties. The certificate must contain a general description of the agreement, including initial and expiration dates. A written contract may not allow for immediate, nonprearranged limousine service pick up.~~

~~(8) It is a class 1 civil infraction, with monetary penalties against the individual as specified in RCW 7.80.120, for an individual to:~~

~~(a) Accept payment to solicit or assign customers on the behalf of a chauffeur for immediate, nonprearranged limousine service pick up as described in section 2(1) of this act; or~~

~~(b) Accept payment to solicit customers for limousine service pick up without current copies of a written contract regarding such services on file at the third party's business. Copies of the current written contract must be stored and made available on the third party's business premises and in any limousine engaged in the services detailed in the contract. A written contract may not allow for immediate, nonprearranged limousine service pick up.~~

Sec. 8. RCW 46.72A.090 and 1996 c 87 s 12 are each amended to read as follows:

(1) The limousine carrier shall ~~(certify)~~, before a chauffeur operates a limousine, provide proof in a form approved by the department to the appropriate regulating authority that each chauffeur hired to operate a limousine meets the following criteria administered or monitored by the department or an authority approved by the department: ~~((1))~~ (a) Is at least twenty-one years of age; ~~((2))~~ (b) holds a valid Washington state driver's license; ~~((3))~~ (c) has successfully completed a training course approved by the department; ~~((4))~~ (d) has successfully passed a written examination which, to the greatest extent practicable, the department must administer in the applicant's language of preference; ~~((5))~~ (e) has successfully completed a background check performed by the Washington state patrol or a credentialing authority approved by the department that meets standards adopted by rule by the department; (f) has passed an initial test and is participating in a random testing program designed to detect the presence of any controlled substances determined by the department; (g) has a satisfactory driving record that meets moving accident and moving violation conviction standards adopted by rule by the department; and ~~((6))~~ (h) has submitted a medical certificate certifying the individual's fitness as a chauffeur. Upon initial application and every ~~(three)~~ two years thereafter, a chauffeur must file a physician's certification with the limousine carrier validating the individual's fitness to drive a limousine. The department shall determine by rule the scope of the examination and standards for denial based upon the chauffeur's physical examination. The director may require a chauffeur to ~~(be reexamined at any time)~~ undergo an additional controlled substance test or physical examination if the chauffeur has failed a controlled substance test or his or her physical fitness has been called into question.

(2) The limousine carrier shall keep on file and make available for inspection all documents required by this section.

Sec. 9. RCW 46.72A.100 and 2002 c 86 s 295 are each amended to read as follows:

The director may impose any of the sanctions specified in RCW 18.235.110 for unprofessional conduct as described in RCW 18.235.130 or if one of the following is true of a chauffeur hired to drive a limousine, including where such a chauffeur is also the carrier: (1) The person has been convicted of an offense of such a nature as to indicate that he or she is unfit to qualify as a chauffeur; (2) the person is guilty of committing ~~(two or more)~~ an offense~~(s)~~ for which mandatory revocation of a driver's license is provided by law; (3) the person has been convicted of vehicular homicide or vehicular assault; (4) the person is intemperate or addicted to narcotics; or (5) the person, while participating in a random testing program designed to detect the presence of any controlled substances determined by the department under RCW 46.72A.090, is found to have taken one of the controlled substances determined by the department without a valid and current prescription from a licensed physician.

Sec. 10. RCW 46.72A.120 and 1996 c 87 s 15 are each amended to read as follows:

The department may adopt and enforce such rules, including the setting of fees, as may be consistent with and necessary to carry out this chapter. The fees

must approximate the cost of administration. Any fee related to limousine vehicle certificates must not exceed seventy-five dollars. Any fee related to a limousine carrier license for a business must not exceed three hundred fifty dollars. Any fee related to limousine vehicle inspections must not exceed twenty-five dollars.

Sec. 11. RCW 46.72A.140 and 2002 c 86 s 296 are each amended to read as follows:

The uniform regulation of business and professions act, chapter 18.235 RCW, governs unlicensed practice, the issuance and denial of licenses, and the discipline of licensees under this chapter by the department.

NEW SECTION. Sec. 12. A new section is added to chapter 46.72A RCW to read as follows:

(1) The department may enter into cooperative agreements with cities with populations of five hundred thousand or more for the purpose of enforcing state laws or rules applicable to limousine carriers and chauffeurs. This power to enforce includes the right to adopt local limousine laws by city ordinance that are consistent with this chapter and the right to impose monetary penalties by civil infraction as provided in this chapter.

(2) In addition, the following specific authority and limitations to city enforcement must be included:

(a) City enforcement officers may conduct street enforcement activity consistent with this chapter;

(b) City enforcement officers may conduct inspections of limousines to verify compliance with limousine standards adopted by rule by the department and, if the carrier requests, conduct annual limousine vehicle inspections in lieu of an inspection conducted by the Washington state patrol. The city may receive all limousine inspection or reinspection fees for inspections conducted by city enforcement officers;

(c) A city may require that any limousine carrier dispatching a limousine to pick up passengers within the incorporated area of the city to maintain on file with the city insurance documents that meet the requirements adopted by rule by the department. The city may issue civil infractions to carriers and summarily suspend limousine vehicle certificates for failure to maintain on file valid insurance documents with the city.

(3) A cooperative agreement with the department for delegated enforcement must specify the schedule and amount of funds derived from limousine carrier license, limousine vehicle certificate, and chauffeur license fee revenue to be provided to the city to allow the city to provide the agreed upon level of enforcement. In addition, the cooperative agreement must restrict the fee revenue use by a city to the costs of enforcing state laws or rules applicable to limousine carriers and chauffeurs.

NEW SECTION. Sec. 13. The department of licensing shall convene an internal work group regarding the issuance of chauffeur licenses. The department shall provide a report on its recommendations on this issue to the transportation committees of the legislature by November 15, 2012.

NEW SECTION. Sec. 14. A new section is added to chapter 46.72A RCW to read as follows:

(1) The limousine carriers account is created in the state treasury. Notwithstanding any other provision of law, all receipts from each civil infraction and violation imposed by this chapter must be deposited into the account. Moneys in the account must be spent only after appropriation.

(2) Expenditures from the account may be used only for regulation and enforcement under this chapter, including regulation and enforcement through a cooperative agreement as described in section 12 of this act.

NEW SECTION. Sec. 15. Sections 1 through 12 of this act take effect January 1, 2012.

NEW SECTION. Sec. 16. Section 14 of this act takes effect July 1, 2012.

Passed by the Senate April 18, 2011.

Passed by the House April 6, 2011.

Approved by the Governor May 16, 2011.

Filed in Office of Secretary of State May 17, 2011.

CHAPTER 375

[Substitute Senate Bill 5540]

SCHOOL BUSES—SAFETY CAMERAS

AN ACT Relating to automated school bus safety cameras; amending RCW 46.61.370, 46.63.030, 46.63.030, 46.63.075, 46.63.075, 46.16A.120, and 46.16A.120; adding a new section to chapter 46.63 RCW; creating a new section; prescribing penalties; and providing a contingent effective date.

Be it enacted by the Legislature of the State of Washington:

NEW SECTION. Sec. 1. The legislature recognizes that the safe transportation of children to and from school is a shared responsibility of the school district and the driving public. In order to increase public awareness of their responsibility, it is the intent of the legislature that the state superintendent of public instruction coordinate with school districts and any other relevant agencies who voluntarily choose to participate in a national stop arm violation day annually between March 1st and May 15th.

NEW SECTION. Sec. 2. A new section is added to chapter 46.63 RCW to read as follows:

(1) School districts may install and operate automated school bus safety cameras on school buses to be used for the detection of violations of RCW 46.61.370(1) if the use of the cameras is approved by a vote of the school district board of directors. School districts are not required to take school buses out of service if the buses are not equipped with automated school bus safety cameras or functional automated safety cameras. Further, school districts shall be held harmless from and not liable for any criminal or civil liability arising under the provisions of this section.

(a) Automated school bus safety cameras may only take pictures of the vehicle and vehicle license plate and only while an infraction is occurring. The picture must not reveal the face of the driver or of passengers in the vehicle.

(b) A notice of infraction must be mailed to the registered owner of the vehicle within fourteen days of the violation, or to the renter of a vehicle within fourteen days of establishing the renter's name and address under subsection (2)(a)(i) of this section. The law enforcement officer issuing the notice of

infraction shall include a certificate or facsimile of the notice, based upon inspection of photographs, microphotographs, or electronic images produced by an automated school bus safety camera, stating the facts supporting the notice of infraction. This certificate or facsimile is prima facie evidence of the facts contained in it and is admissible in a proceeding charging a violation under this chapter. The photographs, microphotographs, or electronic images evidencing the violation must be available for inspection and admission into evidence in a proceeding to adjudicate the liability for the infraction. A person receiving a notice of infraction based on evidence detected by an automated school bus safety camera may respond to the notice by mail.

(c) The registered owner of a vehicle is responsible for an infraction under RCW 46.63.030(1)(e) unless the registered owner overcomes the presumption in RCW 46.63.075, or, in the case of a rental car business, satisfies the conditions under subsection (2) of this section. If appropriate under the circumstances, a renter identified under subsection (2)(a)(i) of this section is responsible for an infraction.

(d) Notwithstanding any other provision of law, all photographs, microphotographs, or electronic images prepared under this section are for the exclusive use of law enforcement in the discharge of duties under this section and are not open to the public and may not be used in a court in a pending action or proceeding unless the action or proceeding relates to a violation under this section. No photograph, microphotograph, or electronic image may be used for any purpose other than enforcement of violations under this section nor retained longer than necessary to enforce this section.

(e) If a school district installs and operates an automated school bus safety camera under this section, the compensation paid to the manufacturer or vendor of the equipment used must be based only upon the value of the equipment and services provided or rendered in support of the system, and may not be based upon a portion of the fine or civil penalty imposed or the revenue generated by the equipment. Further, any repair, replacement, or administrative work costs related to installing or repairing automated school bus safety cameras must be solely paid for by the manufacturer or vendor of the cameras. Before entering into a contract with the manufacturer or vendor of the equipment used under this subsection (1)(e), the school district must follow the competitive bid process as outlined in RCW 28A.335.190(1).

(f) Any revenue collected from infractions detected through the use of automated school bus safety cameras, less the administration and operating costs of the cameras, must be remitted to school districts for school zone safety projects as determined by the school district using the automated school bus safety cameras. The administration and operating costs of the cameras includes infraction enforcement and processing costs that are incurred by local law enforcement or local courts.

(2)(a) If the registered owner of the vehicle is a rental car business, the law enforcement agency shall, before a notice of infraction is issued under this section, provide a written notice to the rental car business that a notice of infraction may be issued to the rental car business if the rental car business does not, within eighteen days of receiving the written notice, provide to the issuing agency by return mail:

(i) A statement under oath stating the name and known mailing address of the individual driving or renting the vehicle when the infraction occurred;

(ii) A statement under oath that the business is unable to determine who was driving or renting the vehicle at the time the infraction occurred because the vehicle was stolen at the time of the infraction. A statement provided under this subsection (2)(a)(ii) must be accompanied by a copy of a filed police report regarding the vehicle theft; or

(iii) In lieu of identifying the vehicle operator, the rental car business may pay the applicable penalty.

(b) Timely mailing of a statement under this subsection to the issuing law enforcement agency relieves a rental car business of any liability under this chapter for the notice of infraction.

(3) For purposes of this section, "automated school bus safety camera" means a device that is affixed to a school bus that is synchronized to automatically record one or more sequenced photographs, microphotographs, or electronic images of the rear of a vehicle at the time the vehicle is detected for an infraction identified in RCW 46.61.370(1).

Sec. 3. RCW 46.61.370 and 1997 c 80 s 1 are each amended to read as follows:

(1) The driver of a vehicle upon overtaking or meeting from either direction any school bus which has stopped on the roadway for the purpose of receiving or discharging any school children shall stop the vehicle before reaching such school bus when there is in operation on said school bus a visual signal as specified in RCW 46.37.190 and said driver shall not proceed until such school bus resumes motion or the visual signals are no longer activated.

(2) The driver of a vehicle upon a highway divided into separate roadways as provided in RCW 46.61.150 need not stop upon meeting a school bus which is proceeding in the opposite direction and is stopped for the purpose of receiving or discharging school children.

(3) The driver of a vehicle upon a highway with three or more marked traffic lanes need not stop upon meeting a school bus which is proceeding in the opposite direction and is stopped for the purpose of receiving or discharging school children.

(4) The driver of a school bus shall actuate the visual signals required by RCW 46.37.190 only when such bus is stopped on the roadway for the purpose of receiving or discharging school children.

(5) The driver of a school bus may stop completely off the roadway for the purpose of receiving or discharging school children only when the school children do not have to cross the roadway. The school bus driver shall actuate the hazard warning lamps as defined in RCW 46.37.215 before loading or unloading school children at such stops.

(6) Except as provided in subsection (7) of this section, a person found to have committed an infraction of subsection (1) of this section shall be assessed a monetary penalty equal to twice the total penalty assessed under RCW 46.63.110. This penalty may not be waived, reduced, or suspended. Fifty percent of the money so collected shall be deposited into the school zone safety account in the custody of the state treasurer and disbursed in accordance with RCW 46.61.440(~~(3)~~) (5).

(7) An infraction of subsection (1) of this section detected through the use of an automated school bus safety camera under section 2 of this act is not a part of the registered owner's driving record under RCW 46.52.101 and 46.52.120, and must be processed in the same manner as parking infractions, including for the purposes of RCW 3.50.100, 35.20.220, 46.16A.120, and 46.20.270(3). However, the amount of the fine issued for a violation of this section detected through the use of an automated school bus safety camera shall not exceed twice the monetary penalty for a violation of this section as provided under RCW 46.63.110.

Sec. 4. RCW 46.63.030 and 2007 c 101 s 1 are each amended to read as follows:

(1) A law enforcement officer has the authority to issue a notice of traffic infraction:

(a) When the infraction is committed in the officer's presence;

(b) When the officer is acting upon the request of a law enforcement officer in whose presence the traffic infraction was committed;

(c) If an officer investigating at the scene of a motor vehicle accident has reasonable cause to believe that the driver of a motor vehicle involved in the accident has committed a traffic infraction;

(d) When the infraction is detected through the use of a photo enforcement system under RCW 46.63.160; ~~((e))~~

(e) When the infraction is detected through the use of an automated school bus safety camera under section 2 of this act; or

(f) When the infraction is detected through the use of an automated traffic safety camera under RCW 46.63.170.

(2) A court may issue a notice of traffic infraction upon receipt of a written statement of the officer that there is reasonable cause to believe that an infraction was committed.

(3) If any motor vehicle without a driver is found parked, standing, or stopped in violation of this title or an equivalent administrative regulation or local law, ordinance, regulation, or resolution, the officer finding the vehicle shall take its registration number and may take any other information displayed on the vehicle which may identify its user, and shall conspicuously affix to the vehicle a notice of traffic infraction.

(4) In the case of failure to redeem an abandoned vehicle under RCW 46.55.120, upon receiving a complaint by a registered tow truck operator that has incurred costs in removing, storing, and disposing of an abandoned vehicle, an officer of the law enforcement agency responsible for directing the removal of the vehicle shall send a notice of infraction by certified mail to the last known address of the person responsible under RCW 46.55.105. The notice must be entitled "Littering—Abandoned Vehicle" and give notice of the monetary penalty. The officer shall append to the notice of infraction, on a form prescribed by the department of licensing, a notice indicating the amount of costs incurred as a result of removing, storing, and disposing of the abandoned vehicle, less any amount realized at auction, and a statement that monetary penalties for the infraction will not be considered as having been paid until the monetary penalty payable under this chapter has been paid and the court is satisfied that the person has made restitution in the amount of the deficiency remaining after disposal of the vehicle.

Sec. 5. RCW 46.63.030 and 2010 c 249 s 5 are each amended to read as follows:

(1) A law enforcement officer has the authority to issue a notice of traffic infraction:

- (a) When the infraction is committed in the officer's presence;
- (b) When the officer is acting upon the request of a law enforcement officer in whose presence the traffic infraction was committed;
- (c) If an officer investigating at the scene of a motor vehicle accident has reasonable cause to believe that the driver of a motor vehicle involved in the accident has committed a traffic infraction; ~~((\emptyset))~~

(d) When the infraction is detected through the use of an automated traffic safety camera under RCW 46.63.170; or

(e) When the infraction is detected through the use of an automated school bus safety camera under section 2 of this act.

(2) A court may issue a notice of traffic infraction upon receipt of a written statement of the officer that there is reasonable cause to believe that an infraction was committed.

(3) If any motor vehicle without a driver is found parked, standing, or stopped in violation of this title or an equivalent administrative regulation or local law, ordinance, regulation, or resolution, the officer finding the vehicle shall take its registration number and may take any other information displayed on the vehicle which may identify its user, and shall conspicuously affix to the vehicle a notice of traffic infraction.

(4) In the case of failure to redeem an abandoned vehicle under RCW 46.55.120, upon receiving a complaint by a registered tow truck operator that has incurred costs in removing, storing, and disposing of an abandoned vehicle, an officer of the law enforcement agency responsible for directing the removal of the vehicle shall send a notice of infraction by certified mail to the last known address of the person responsible under RCW 46.55.105. The notice must be entitled "Littering—Abandoned Vehicle" and give notice of the monetary penalty. The officer shall append to the notice of infraction, on a form prescribed by the department of licensing, a notice indicating the amount of costs incurred as a result of removing, storing, and disposing of the abandoned vehicle, less any amount realized at auction, and a statement that monetary penalties for the infraction will not be considered as having been paid until the monetary penalty payable under this chapter has been paid and the court is satisfied that the person has made restitution in the amount of the deficiency remaining after disposal of the vehicle.

Sec. 6. RCW 46.63.075 and 2005 c 167 s 3 are each amended to read as follows:

(1) In a traffic infraction case involving an infraction detected through the use of a photo enforcement system under RCW 46.63.160, ~~((\emptyset))~~ detected through the use of an automated traffic safety camera under RCW 46.63.170, or detected through the use of an automated school bus safety camera under section 2 of this act, proof that the particular vehicle described in the notice of traffic infraction was in violation of any such provision of RCW 46.63.160 or 46.63.170, together with proof that the person named in the notice of traffic infraction was at the time of the violation the registered owner of the vehicle, constitutes in evidence a prima facie presumption that the registered owner of

the vehicle was the person in control of the vehicle at the point where, and for the time during which, the violation occurred.

(2) This presumption may be overcome only if the registered owner states, under oath, in a written statement to the court or in testimony before the court that the vehicle involved was, at the time, stolen or in the care, custody, or control of some person other than the registered owner.

Sec. 7. RCW 46.63.075 and 2010 c 249 s 7 are each amended to read as follows:

(1) In a traffic infraction case involving an infraction detected through the use of an automated traffic safety camera under RCW 46.63.170 or detected through the use of an automated school bus safety camera under section 2 of this act, proof that the particular vehicle described in the notice of traffic infraction was in violation of any such provision of RCW 46.63.170, together with proof that the person named in the notice of traffic infraction was at the time of the violation the registered owner of the vehicle, constitutes in evidence a prima facie presumption that the registered owner of the vehicle was the person in control of the vehicle at the point where, and for the time during which, the violation occurred.

(2) This presumption may be overcome only if the registered owner states, under oath, in a written statement to the court or in testimony before the court that the vehicle involved was, at the time, stolen or in the care, custody, or control of some person other than the registered owner.

Sec. 8. RCW 46.16A.120 and 2010 c 161 s 430 are each amended to read as follows:

(1) Each court and government agency located in this state having jurisdiction over standing, stopping, and parking violations, the use of a photo enforcement system under RCW 46.63.160, ~~((and))~~ the use of automated traffic safety cameras under RCW 46.63.170, and the use of automated school bus safety cameras under section 2 of this act may forward to the department any outstanding:

- (a) Standing, stopping, and parking violations;
- (b) Photo enforcement infractions issued under RCW 46.63.030(1)(d); ~~((and))~~
- (c) Automated traffic safety camera infractions issued under RCW 46.63.030(1)~~((e))~~ (f); and
- (d) Automated school bus safety camera infractions issued under RCW 46.63.030(1)(e).

(2) Violations and infractions described in subsection (1) of this section must be reported to the department in the manner described in RCW 46.20.270(3).

(3) The department shall:

(a) Record the violations and infractions on the matching vehicle records; and

(b) Send notice approximately one hundred twenty days in advance of the current vehicle registration expiration date to the registered owner listing the dates and jurisdictions in which the violations occurred, the amounts of unpaid fines and penalties, and the surcharge to be collected. Only those violations and infractions received by the department one hundred twenty days or more before

the current vehicle registration expiration date will be included in the notice. Violations and infractions received by the department later than one hundred twenty days before the current vehicle registration expiration date that are not satisfied will be delayed until the next vehicle registration expiration date.

(4) The department, county auditor or other agent, or subagent appointed by the director shall not renew a vehicle registration if there are any outstanding standing, stopping, and parking violations, and other infractions issued under RCW 46.63.030(1)(d) for the vehicle unless:

(a) The outstanding ~~(standing,)~~ ~~(stopping,)~~ stopping, or parking violations were received by the department within one hundred twenty days before the current vehicle registration expiration;

(b) There is a change in registered ownership; or

(c) The registered owner presents proof of payment of each violation and infraction provided in this section and the registered owner pays the surcharge required under RCW 46.17.030.

(5) The department shall:

(a) Forward a change in registered ownership information to the court or government agency who reported the outstanding violations or infractions; and

(b) Remove the outstanding violations and infractions from the vehicle record.

Sec. 9. RCW 46.16A.120 and 2010 c 249 s 10 are each amended to read as follows:

~~((1) To renew a vehicle license, an applicant shall satisfy all listed standing, stopping, and parking violations, and civil penalties issued under RCW 46.63.160 for the vehicle incurred while the vehicle was registered in the applicant's name and forwarded to the department pursuant to RCW 46.20.270(3). For the purposes of this section, "listed" standing, stopping, and parking violations, and civil penalties issued under RCW 46.63.160 include only those violations for which notice has been received from state or local agencies or courts by the department one hundred twenty days or more before the date the vehicle license expires and that are placed on the records of the department. Notice of such violations received by the department later than one hundred twenty days before that date that are not satisfied shall be considered by the department in connection with any applications for license renewal in any subsequent license year. The renewal application may be processed by the department or its agents only if the applicant:~~

~~(a) Presents a preprinted renewal application showing no listed standing, stopping, or parking violations, or civil penalties issued under RCW 46.63.160, or in the absence of such presentation, the agent verifies the information that would be contained on the preprinted renewal application; or~~

~~(b) If listed standing, stopping, or parking violations, or civil penalties issued under RCW 46.63.160 exist, presents proof of payment and pays a fifteen dollar surcharge.~~

~~(2) The surcharge shall be allocated as follows:~~

~~(a) Ten dollars shall be deposited in the motor vehicle fund to be used exclusively for the administrative costs of the department of licensing; and~~

~~(b) Five dollars shall be retained by the agent handling the renewal application to be used by the agent for the administration of this section.~~

~~(3) If there is a change in the registered owner of the vehicle, the department shall forward the information regarding the change to the state or local charging jurisdiction and release any hold on the renewal of the vehicle license resulting from parking violations or civil penalties issued under RCW 46.63.160 incurred while the certificate of license registration was in a previous registered owner's name.~~

~~(4) The department shall send to all registered owners of vehicles who have been reported to have outstanding listed parking violations or civil penalties issued under RCW 46.63.160, at the time of renewal, a statement setting out the dates and jurisdictions in which the violations occurred as well as the amounts of unpaid fines and penalties relating to them and the surcharge to be collected.))~~

(1) Each court and government agency located in this state having jurisdiction over standing, stopping, and parking violations, the use of a photo toll system under RCW 46.63.160, the use of automated traffic safety cameras under RCW 46.63.170, and the use of automated school bus safety cameras under section 2 of this act may forward to the department any outstanding:

(a) Standing, stopping, and parking violations;

(b) Civil penalties for toll nonpayment detected through the use of photo toll systems issued under RCW 46.63.160;

(c) Automated traffic safety camera infractions issued under RCW 46.63.030(1)(d); and

(d) Automated school bus safety camera infractions issued under RCW 46.63.160(1)(e).

(2) Violations, civil penalties, and infractions described in subsection (1) of this section must be reported to the department in the manner described in RCW 46.20.270(3).

(3) The department shall:

(a) Record the violations, civil penalties, and infractions on the matching vehicle records; and

(b) Send notice approximately one hundred twenty days in advance of the current vehicle registration expiration date to the registered owner listing the dates and jurisdictions in which the violations, civil penalties, and infractions occurred, the amounts of unpaid fines and penalties, and the surcharge to be collected. Only those violations, civil penalties, and infractions received by the department one hundred twenty days or more before the current vehicle registration expiration date will be included in the notice. Violations, civil penalties, and infractions received by the department later than one hundred twenty days before the current vehicle registration expiration date that are not satisfied will be delayed until the next vehicle registration expiration date.

(4) The department, county auditor or other agent, or subagent appointed by the director shall not renew a vehicle registration if there are any outstanding standing, stopping, and parking violations, and other civil penalties issued under RCW 46.63.160 for the vehicle unless:

(a) The outstanding standing, stopping, or parking violations and civil penalties were received by the department within one hundred twenty days before the current vehicle registration expiration;

(b) There is a change in registered ownership; or

(c) The registered owner presents proof of payment of each violation, civil penalty, and infraction provided in this section and the registered owner pays the surcharge required under RCW 46.17.030.

(5) The department shall:

(a) Forward a change in registered ownership information to the court or government agency who reported the outstanding violations, civil penalties, or infractions; and

(b) Remove the outstanding violations, civil penalties, and infractions from the vehicle record.

NEW SECTION. Sec. 10. Sections 5, 7, and 9 of this act take effect upon certification by the secretary of transportation that the new statewide tolling operations center and photo toll system are fully operational. A notice of certification must be filed with the code reviser for publication in the state register. If a certificate is not issued by the secretary of transportation by December 1, 2012, sections 5, 7, and 9 of this act are null and void.

Passed by the Senate April 19, 2011.

Passed by the House April 5, 2011.

Approved by the Governor May 16, 2011.

Filed in Office of Secretary of State May 17, 2011.

CHAPTER 376

[Substitute Senate Bill 5658]

DEPARTMENT OF TRANSPORTATION—DISPOSITION OF REAL PROPERTY

AN ACT Relating to the sale or exchange of surplus real property by the department of transportation; amending RCW 47.12.063 and 47.12.063; providing an effective date; and providing an expiration date.

Be it enacted by the Legislature of the State of Washington:

Sec. 1. RCW 47.12.063 and 2010 c 157 s 1 are each amended to read as follows:

(1) It is the intent of the legislature to continue the department's policy giving priority consideration to abutting property owners in agricultural areas when disposing of property through its surplus property program under this section.

(2) Whenever the department determines that any real property owned by the state of Washington and under the jurisdiction of the department is no longer required for transportation purposes and that it is in the public interest to do so, the department may sell the property or exchange it in full or part consideration for land or improvements or for construction of improvements at fair market value to any person through the solicitation of written bids through public advertising in the manner prescribed under RCW 47.28.050 or in the manner prescribed under RCW 47.12.283.

(3) The department may forego the processes prescribed by RCW 47.28.050 and 47.12.283 and sell the real property to any of the following ((governmental)) entities or persons at fair market value:

- (a) Any other state agency;
- (b) The city or county in which the property is situated;
- (c) Any other municipal corporation;

- (d) Regional transit authorities created under chapter 81.112 RCW;
- (e) The former owner of the property from whom the state acquired title;
- (f) In the case of residentially improved property, a tenant of the department who has resided thereon for not less than six months and who is not delinquent in paying rent to the state;
- (g) Any abutting private owner but only after each other abutting private owner (if any), as shown in the records of the county assessor, is notified in writing of the proposed sale. If more than one abutting private owner requests in writing the right to purchase the property within fifteen days after receiving notice of the proposed sale, the property shall be sold at public auction in the manner provided in RCW 47.12.283;
- ~~((h))~~ ~~((To any person through the solicitation of written bids through public advertising in the manner prescribed by RCW 47.28.050;~~
- ~~((i))~~ To any other owner of real property required for transportation purposes;
- ~~((j))~~ ~~((i))~~ In the case of property suitable for residential use, any nonprofit organization dedicated to providing affordable housing to very low-income, low-income, and moderate-income households as defined in RCW 43.63A.510 and is eligible to receive assistance through the Washington housing trust fund created in chapter 43.185 RCW;
- ~~((k))~~ ~~((j))~~ A federally qualified community health center as defined in RCW 82.04.4311; or
- ~~((l))~~ ~~((k))~~ A federally recognized Indian tribe within whose reservation boundary the property is located.
- ~~((m))~~ ~~((4))~~ (4) When selling real property pursuant to RCW 47.12.283, the department may withhold or withdraw the property from an auction when requested by one of the entities or persons listed in subsection (3) of this section and only after the receipt of a nonrefundable deposit equal to ten percent of the fair market value of the real property or five thousand dollars, whichever is less. This subsection does not prohibit the department from exercising its discretion to withhold or withdraw the real property from an auction if the department determines that the property is no longer surplus or chooses to sell the property through one of the other means listed in subsection (2) of this section. If a transaction under this subsection is not completed within sixty days, the real property must be put back up for sale.
- ~~((n))~~ ~~((5))~~ Sales to purchasers may at the department's option be for cash, by real estate contract, or exchange of land or improvements. Transactions involving the construction of improvements must be conducted pursuant to chapter 47.28 RCW ~~((o))~~ ~~and~~ Title 39 RCW, as applicable, and must comply with all other applicable laws and rules.
- ~~((o))~~ ~~((6))~~ Conveyances made pursuant to this section shall be by deed executed by the secretary of transportation and shall be duly acknowledged.
- ~~((p))~~ ~~((7))~~ Unless otherwise provided, all moneys received pursuant to the provisions of this section less any real estate broker commissions paid pursuant to RCW 47.12.320 shall be deposited in the motor vehicle fund.

Sec. 2. RCW 47.12.063 and 2006 c 17 s 2 are each amended to read as follows:

- (1) It is the intent of the legislature to continue the department's policy giving priority consideration to abutting property owners in agricultural areas

when disposing of property through its surplus property program under this section.

(2) Whenever the department determines that any real property owned by the state of Washington and under the jurisdiction of the department is no longer required for transportation purposes and that it is in the public interest to do so, the department may sell the property or exchange it in full or part consideration for land or improvements or for construction of improvements at fair market value to any person through the solicitation of written bids through public advertising in the manner prescribed under RCW 47.28.050 or in the manner prescribed under RCW 47.12.283.

~~(3) The department may forego the processes prescribed by RCW 47.28.050 and 47.12.283 and sell the real property to any of the following ((governmental)) entities or persons at fair market value:~~

- (a) Any other state agency;
- (b) The city or county in which the property is situated;
- (c) Any other municipal corporation;
- (d) Regional transit authorities created under chapter 81.112 RCW;
- (e) The former owner of the property from whom the state acquired title;
- (f) In the case of residentially improved property, a tenant of the department who has resided thereon for not less than six months and who is not delinquent in paying rent to the state;

(g) Any abutting private owner but only after each other abutting private owner (if any), as shown in the records of the county assessor, is notified in writing of the proposed sale. If more than one abutting private owner requests in writing the right to purchase the property within fifteen days after receiving notice of the proposed sale, the property shall be sold at public auction in the manner provided in RCW 47.12.283;

~~(h) ((To any person through the solicitation of written bids through public advertising in the manner prescribed by RCW 47.28.050;~~

~~(i)) To any other owner of real property required for transportation purposes;~~

~~((j)) (i) In the case of property suitable for residential use, any nonprofit organization dedicated to providing affordable housing to very low-income, low-income, and moderate-income households as defined in RCW 43.63A.510 and is eligible to receive assistance through the Washington housing trust fund created in chapter 43.185 RCW; or~~

~~((k)) (j) A federally recognized Indian tribe within whose reservation boundary the property is located.~~

~~((3)) (4) When selling real property pursuant to RCW 47.12.283, the department may withhold or withdraw the property from an auction when requested by one of the entities or persons listed in subsection (3) of this section and only after the receipt of a nonrefundable deposit equal to ten percent of the fair market value of the real property or five thousand dollars, whichever is less. This subsection does not prohibit the department from exercising its discretion to withhold or withdraw the real property from an auction if the department determines that the property is no longer surplus or chooses to sell the property through one of the other means listed in subsection (2) of this section. If a transaction under this subsection is not completed within sixty days, the real property must be put back up for sale.~~

(5) Sales to purchasers may at the department's option be for cash, by real estate contract, or exchange of land or improvements. Transactions involving the construction of improvements must be conducted pursuant to chapter 47.28 RCW ~~((or))~~ and Title 39 RCW, as applicable, and must comply with all other applicable laws and rules.

~~((4))~~ (6) Conveyances made pursuant to this section shall be by deed executed by the secretary of transportation and shall be duly acknowledged.

~~((5))~~ (7) Unless otherwise provided, all moneys received pursuant to the provisions of this section less any real estate broker commissions paid pursuant to RCW 47.12.320 shall be deposited in the motor vehicle fund.

NEW SECTION. Sec. 3. Section 1 of this act expires June 30, 2012.

NEW SECTION. Sec. 4. Section 2 of this act takes effect June 30, 2012.

Passed by the Senate April 20, 2011.

Passed by the House April 7, 2011.

Approved by the Governor May 16, 2011.

Filed in Office of Secretary of State May 17, 2011.

CHAPTER 377

[Substitute Senate Bill 5700]

TOLL FACILITIES

AN ACT Relating to certain toll facilities; amending RCW 47.10.882, 47.10.887, 47.10.888, and 47.56.810; reenacting RCW 47.10.886; adding a new section to chapter 47.56 RCW; creating a new section; and declaring an emergency.

Be it enacted by the Legislature of the State of Washington:

****NEW SECTION. Sec. 1. The legislature recognizes that Washington voters strongly supported Initiative Measure No. 1053 during the 2010 general election, which indicates the clear desire on the part of the state's citizens that legislators approve any new fees or increases to existing fees. The legislature further recognizes that during the 2009 legislative session tolling was authorized on the state route number 520 corridor, bonds were authorized to finance construction of corridor projects, and the legislature committed to continue imposing tolls on the corridor in amounts sufficient to pay the principal and interest on those bonds. As tolling is scheduled to begin on the corridor in early April 2011, the legislature intends to honor the voters' clear direction as identified in Initiative Measure No. 1053 by reviewing the transportation commission's recommended schedule for tolling charges and explicitly approving those rates applicable to the state route number 520 corridor. The legislature also intends to review the transportation commission's recommended schedule for photo toll charges and explicitly approve those rates applicable to the Tacoma Narrows bridge.***

*Sec. 1 was vetoed. See message at end of chapter.

NEW SECTION. Sec. 2. A new section is added to chapter 47.56 RCW to read as follows:

(1) Consistent with RCW 43.135.055 and 47.56.805 through 47.56.876, the legislature approves the action taken by the transportation commission on January 5, 2011, adopting amended rules to set the schedule of toll rates applicable to the state route number 520 corridor. The legislature further

authorizes the transportation commission, as the tolling authority for the state, to set and adjust toll rates on the state route number 520 corridor in accordance with the authorization, requirements, and guidelines set forth in RCW 47.56.830, 47.56.850, and 47.56.870. The transportation commission may adjust the toll rates, as identified in the adopted schedule of toll rates, only in amounts not greater than those sufficient to meet (a) the operating costs of the state route number 520 corridor, including necessary maintenance, preservation, renewal, replacement, administration, and toll enforcement by public law enforcement and (b) obligations for the timely payment of debt service on bonds issued under chapter 498, Laws of 2009 and this act, and any other associated financing costs including, but not limited to, required reserves, minimum debt coverage or other appropriate contingency funding, insurance, and compliance with all other financial and other covenants made by the state in the bond proceedings. Prior to the convening of each regular session of the legislature, the transportation commission must provide the transportation committees of the legislature with a detailed report regarding any increase or decrease in any toll rate approved by the commission that has not been described in a previous report provided pursuant to this subsection (1), along with a detailed justification for each such increase or decrease.

(2) Consistent with RCW 43.135.055 and 47.46.100, the legislature approves the action taken by the transportation commission on January 25, 2011, adopting amended rules to set the schedule of photo toll, or "pay by mail," charges applicable to the Tacoma Narrows bridge. Prior to the convening of each regular session of the legislature, the transportation commission must provide the transportation committees of the legislature with a detailed report regarding any increase or decrease in any toll rate approved by the commission that has not been described in a previous report provided pursuant to this subsection (2), along with a detailed justification for each such increase or decrease.

(3) Consistent with RCW 43.135.055 and 47.56.795(6), the legislature approves the action taken by the transportation commission on January 5, 2011, adopting amended rules concerning the assessment of administrative fees for toll collection processes. The administrative fees must not exceed toll collection costs.

Sec. 3. RCW 47.10.882 and 2009 c 498 s 11 are each amended to read as follows:

The toll facility bond retirement account is created in the state treasury for the purpose of payment of the principal of and interest and premium on bonds. Both principal of and interest on the bonds issued for the purposes of chapter 498, Laws of 2009 and this act shall be payable from the toll facility bond retirement account. The state finance committee may provide that special subaccounts be created in the account to facilitate payment of the principal of and interest on the bonds. The state finance committee shall, on or before June 30th of each year, certify to the state treasurer the amount required for principal and interest on the bonds in accordance with the bond proceedings.

Sec. 4. RCW 47.10.886 and 2009 c 498 s 16 are each reenacted to read as follows:

If and to the extent that the state finance committee determines, in consultation with the department of transportation and the tolling authority, that it will be beneficial for the state to issue any bonds authorized in RCW 47.10.879 and 47.10.883 through 47.10.885 as toll revenue bonds rather than as general obligation bonds, the state finance committee is authorized to issue and sell, upon the request of the department of transportation, such bonds as toll revenue bonds and not as general obligation bonds. Notwithstanding RCW 47.10.883, each such bond shall contain a recital that payment or redemption of the bond and payment of the interest and any premium thereon is payable solely from and secured solely by a direct pledge, charge, and lien upon toll revenue and is not a general obligation of the state to which the full faith and credit of the state is pledged.

Toll revenue is hereby pledged to the payment of any bonds and the interest thereon issued under the authority of this section, and the legislature agrees to continue to impose these toll charges on the state route number 520 corridor, and on any other eligible toll facility designated by the legislature and on which the imposition of tolls is authorized by the legislature in respect of the bonds, in amounts sufficient to pay, when due, the principal and interest on all bonds issued under the authority of this section.

Sec. 5. RCW 47.10.887 and 2009 c 498 s 17 are each amended to read as follows:

The state finance committee may determine and include in any resolution authorizing the issuance of any bonds under chapter 498, Laws of 2009 and this act, such terms, provisions, covenants, and conditions as it may deem appropriate in order to assist with the marketing and sale of the bonds, confer rights upon the owners of bonds, and safeguard rights of the owners of bonds including, among other things:

(1) Provisions regarding the maintenance and operation of eligible toll facilities;

(2) The pledges, uses, and priorities of application of toll revenue;

(3) Provisions that bonds shall be payable from and secured solely by toll revenue as provided by RCW 47.10.886, or shall be payable from and secured by both toll revenue and by a pledge of excise taxes on motor vehicle and special fuels and the full faith and credit of the state as provided in RCW 47.10.879 and 47.10.883 through 47.10.885;

(4) In consultation with the department of transportation and the tolling authority, financial covenants requiring that the eligible toll facilities must produce specified coverage ratios of toll revenue to debt service on bonds;

(5) The purposes and conditions that must be satisfied prior to the issuance of any additional bonds that are to be payable from and secured by any toll revenue on an equal basis with previously issued and outstanding bonds payable from and secured by toll revenue;

(6) Provisions that bonds for which any toll revenue are pledged, or for which a pledge of any toll revenue may be reserved, may be structured on a senior, parity, subordinate, or special lien basis in relation to any other bonds for which toll revenue is pledged, with respect to toll revenue only; and

(7) Provisions regarding reserves, credit enhancement, liquidity facilities, and payment agreements with respect to bonds.

Notwithstanding the foregoing, covenants and conditions detailing the character of management, maintenance, and operation of eligible toll facilities, insurance for eligible toll facilities, financial management of toll revenue, and disposition of eligible toll facilities must first be approved by the department of transportation.

The owner of any bond may by mandamus or other appropriate proceeding require and compel performance of any duties imposed upon the tolling authority and the department of transportation and their respective officials, including any duties imposed upon or undertaken by them or by their respective officers, agents, and employees, in connection with the construction, maintenance, and operation of eligible toll facilities and in connection with the collection, deposit, investment, application, and disbursement of the proceeds of the bonds and toll revenue.

Sec. 6. RCW 47.10.888 and 2009 c 498 s 18 are each amended to read as follows:

(1) For the purposes of chapter 498, Laws of 2009 and this act, "toll revenue" means all toll receipts, all interest income derived from the investment of toll receipts, and any gifts, grants, or other funds received for the benefit of transportation facilities in the state, including eligible toll facilities. However, for the purpose of any pledge of toll revenue to the payment of particular bonds issued under chapter 498, Laws of 2009 and this act, "toll revenue" means and includes only such toll revenue or portion thereof that is pledged to the payment of those bonds in the resolution authorizing the issuance of such bonds. Toll revenue constitutes "fees and revenues derived from the ownership or operation of any undertaking, facility, or project" as that phrase is used in Article VIII, section 1(c)(1) of the state Constitution.

(2) For the purposes of chapter 498, Laws of 2009 and this act, "tolling authority" has the same meaning as in RCW 47.56.810.

Sec. 7. RCW 47.56.810 and 2008 c 122 s 3 are each amended to read as follows:

The definitions in this section apply throughout this subchapter unless the context clearly requires otherwise:

(1) "Tolling authority" means the governing body that is legally empowered to review and adjust toll rates. Unless otherwise delegated, the transportation commission is the tolling authority for all state highways.

(2) "Eligible toll facility" or "eligible toll facilities" means portions of the state highway system specifically identified by the legislature including, but not limited to, transportation corridors, bridges, crossings, interchanges, on-ramps, off-ramps, approaches, bistate facilities, and interconnections between highways.

(3) "Toll revenue" or "revenue from an eligible toll facility" means toll receipts, all interest income derived from the investment of toll receipts, and any gifts, grants, or other funds received for the benefit of ~~((the))~~ transportation facilities in the state, including eligible toll ~~((facility))~~ facilities.

NEW SECTION. Sec. 8. 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.

Passed by the Senate April 20, 2011.
 Passed by the House March 5, 2011.
 Approved by the Governor May 16, 2011, with the exception of certain items that were vetoed.
 Filed in Office of Secretary of State May 17, 2011.

Note: Governor's explanation of partial veto is as follows:

"I am returning herewith, without my approval as to Section 1, Substitute Senate Bill 5700 entitled:

"AN ACT Relating to certain toll facilities."

I am vetoing Section 1, the intent section. As outlined in an informal Attorney General Opinion, Initiative 1053 does not constrain the manner in which the legislature approves imposition or increases in fees. Section 1 could be misconstrued to constrain the form of legislative approvals. Vetoing the intent section does not impede implementation of the bill.

For these reasons, I have vetoed Section 1 of Substitute Senate Bill 5700.

With the exception of Section 1, Substitute Senate Bill 5700 is approved."

CHAPTER 378

[Substitute Senate Bill 5791]

PARK AND RIDE LOTS—COMMERCIAL ACTIVITY

AN ACT Relating to commercial activity at certain park and ride lots; and adding a new section to chapter 47.04 RCW.

Be it enacted by the Legislature of the State of Washington:

NEW SECTION. Sec. 1. A new section is added to chapter 47.04 RCW to read as follows:

(1) The department, or any local transit agency that has received state funding for a park and ride lot, may enter into a lease with private entities allowing them to operate food or beverage retailers, restaurants, grocery and convenience stores, or other private enterprises that are of benefit to the traveling public at park and ride lots owned by the department or local transit agency.

(2) The department or local transit agency must take all necessary action to ensure the most favorable lease rates for the state or local transit agency, whether by bid or other reasonable manner, and to require the lessee to enter into any other contract or agreement to protect the state and its citizens or the local transit agency from commercial harm or other type of harm. Any lease entered into under this section must ensure that the lease payments are at fair market value and comparable to market rates in the area of the park and ride lot. Lease payments must first be applied towards maintenance and operations of the applicable park and ride lot and the remainder must be deposited into the multimodal transportation account created under RCW 47.66.070.

(3) The department must adopt and enforce such reasonable rules that are consistent with and necessary to carry out this section, including a flexible process to prioritize local business interests when entering into lease agreements.

Passed by the Senate April 21, 2011.
 Passed by the House April 5, 2011.
 Approved by the Governor May 16, 2011.
 Filed in Office of Secretary of State May 17, 2011.

CHAPTER 379

[Substitute Senate Bill 5836]

PRIVATE TRANSPORTATION PROVIDERS—
USE OF PUBLIC TRANSPORTATION FACILITIES

AN ACT Relating to allowing certain private transportation providers to use certain public transportation facilities; amending RCW 46.61.165, 47.04.290, and 47.52.025; adding a new section to chapter 47.04 RCW; and creating a new section.

Be it enacted by the Legislature of the State of Washington:

Sec. 1. RCW 46.61.165 and 1999 c 206 s 1 are each amended to read as follows:

(1) The state department of transportation and the local authorities are authorized to reserve all or any portion of any highway under their respective jurisdictions, including any designated lane or ramp, for the exclusive or preferential use of one or more of the following: (a) Public transportation vehicles ((~~or~~)); (b) private motor vehicles carrying no fewer than a specified number of passengers; or (c) the following private transportation provider vehicles if the vehicle has the capacity to carry eight or more passengers, regardless of the number of passengers in the vehicle, and if such use does not interfere with the efficiency, reliability, and safety of public transportation operations: (i) Auto transportation company vehicles regulated under chapter 81.68 RCW; (ii) passenger charter carrier vehicles regulated under chapter 81.70 RCW, except marked or unmarked stretch limousines and stretch sport utility vehicles as defined under department of licensing rules; (iii) private nonprofit transportation provider vehicles regulated under chapter 81.66 RCW; and (iv) private employer transportation service vehicles, when such limitation will increase the efficient utilization of the highway or will aid in the conservation of energy resources.

(2) Any transit-only lanes that allow other vehicles to access abutting businesses that are authorized pursuant to subsection (1) of this section may not be authorized for the use of private transportation provider vehicles as described under subsection (1) of this section.

(3) The state department of transportation and the local authorities authorized to reserve all or any portion of any highway under their respective jurisdictions, for exclusive or preferential use, may prohibit the use of a high occupancy vehicle lane by the following private transportation provider vehicles: (a) Auto transportation company vehicles regulated under chapter 81.68 RCW; (b) passenger charter carrier vehicles regulated under chapter 81.70 RCW, and marked or unmarked limousines and stretch sport utility vehicles as defined under department of licensing rules; (c) private nonprofit transportation provider vehicles regulated under chapter 81.66 RCW; and (d) private employer transportation service vehicles, when the average transit speed in the high occupancy vehicle lane fails to meet department of transportation standards and falls below forty-five miles per hour at least ninety percent of the time during the peak hours, as determined by the department of transportation or the local authority, whichever operates the facility.

(4) Regulations authorizing such exclusive or preferential use of a highway facility may be declared to be effective at all times or at specified times of day or on specified days. Violation of a restriction of highway usage prescribed by the appropriate authority under this section is a traffic infraction.

(5) Local authorities are encouraged to establish a process for private transportation providers, as described under subsections (1) and (3) of this section, to apply for the use of public transportation facilities reserved for the exclusive or preferential use of public transportation vehicles. The application and review processes should be uniform and should provide for an expeditious response by the local authority. Whenever practicable, local authorities should enter into agreements with such private transportation providers to allow for the reasonable use of these facilities.

(6) For the purposes of this section, "private employer transportation service" means regularly scheduled, fixed-route transportation service that is similarly marked or identified to display the business name or logo on the driver and passenger sides of the vehicle, meets the annual certification requirements of the department of transportation, and is offered by an employer for the benefit of its employees.

Sec. 2. RCW 47.04.290 and 2008 c 257 s 1 are each amended to read as follows:

(1) Any local transit agency that has received state funding for a park and ride lot shall make reasonable accommodation for use of that lot by: Auto transportation companies regulated under chapter 81.68 RCW (~~and~~); passenger charter carriers regulated under chapter 81.70 RCW, except marked or unmarked stretch limousines and stretch sport utility vehicles as defined under department of licensing rules; private, nonprofit transportation providers regulated under chapter 81.66 RCW (~~, that intend to provide or already provide regularly scheduled service at that lot~~); and private employer transportation service vehicles, provided that such use does not interfere with the efficiency, reliability, and safety of public transportation operations. The accommodation must be in the form of an agreement between the applicable local transit agency and the private ((transit)) transportation provider ((regulated under chapter 81.68 or 81.66 RCW)). The transit agency may require that the agreement include provisions to recover actual costs and fair market value for the use of the lot and its related facilities and to provide adequate insurance and indemnification of the transit agency, and other reasonable provisions to ensure that the private ((transit)) transportation provider's use does not unduly burden the transit agency. The transit agency may consider benefits to its public transportation system when establishing an amount to charge for the use of the park and ride lot and its related facilities. If the agreement includes provisions to recover actual costs, the private transportation provider is responsible to remit the full actual costs of park and ride lot use to the appropriate transit agency. No accommodation is required, and any agreement may be terminated, if the park and ride lot is at or exceeds ninety percent capacity between the hours of 6:00 a.m. and 4:00 p.m., Monday through Friday for two consecutive months. Additionally, any agreement may be terminated if the private transportation provider violates any policies guiding the terms of use of the park and ride lot. The transit agency may reserve the authority to designate which pick-up and drop-off zones of the park and ride lot may be used by the private transportation provider.

(2) A local transit agency described under subsection (1) of this section may enter into a cooperative agreement with a taxicab company regulated under chapter 81.72 RCW in order to accommodate the taxicab company at the

agency's park and ride lot, provided the taxicab company must agree to provide service with reasonable availability, subject to schedule coordination provisions as agreed to by the parties.

(3) For the purposes of this section, "private employer transportation service" means regularly scheduled, fixed-route transportation service that is similarly marked or identified to display the business name or logo on the driver and passenger sides of the vehicle, meets the annual certification requirements of the department, and is offered by an employer for the benefit of its employees.

(4) For the purposes of this section, "private transportation provider" means:

(a) A company regulated under chapter 81.68 RCW; chapter 81.70 RCW, except marked or unmarked stretch limousines and stretch sport utility vehicles as defined under department of licensing rules; and chapter 81.66 RCW; and

(b) An entity providing private employer transportation service.

(5)(a) Local authorities are encouraged to establish a process for private transportation providers, described under subsections (1) and (4) of this section, to apply for the use of park and ride facilities.

(b) The process must provide a list of facilities that the local authority determines to be unavailable for use by the private transportation provider and must provide the criteria used to reach that determination.

(c) The application and review processes must be uniform and should provide for an expeditious response by the authority.

(6) The department must convene a stakeholder process that includes interested public and private transportation providers, which must develop standard permit forms, clear explanations of permit rate calculations, and standard indemnification provisions that may be used by all local authorities.

Sec. 3. RCW 47.52.025 and 1974 ex.s. c 133 s 1 are each amended to read as follows:

(1) Highway authorities of the state, counties, and incorporated cities and towns, in addition to the specific powers granted in this chapter, shall also have, and may exercise, relative to limited access facilities, any and all additional authority, now or hereafter vested in them relative to highways or streets within their respective jurisdictions, and may regulate, restrict, or prohibit the use of such limited access facilities by various classes of vehicles or traffic. Such highway authorities may reserve any limited access facility or portions thereof, including designated lanes or ramps for the exclusive or preferential use of (a) public transportation vehicles, (b) privately owned buses, ~~((c))~~ (c) private motor vehicles carrying not less than a specified number of passengers, or (d) the following private transportation provider vehicles if the vehicle has the capacity to carry eight or more passengers, regardless of the number of passengers in the vehicle, and if such use does not interfere with the efficiency, reliability, and safety of public transportation operations: (i) Auto transportation company vehicles regulated under chapter 81.68 RCW; (ii) passenger charter carrier vehicles regulated under chapter 81.70 RCW, except marked or unmarked stretch limousines and stretch sport utility vehicles as defined under department of licensing rules; (iii) private nonprofit transportation provider vehicles regulated under chapter 81.66 RCW; and (iv) private employer transportation service vehicles, when such limitation will increase the efficient utilization of the highway facility or will aid in the conservation of energy resources. Regulations authorizing such exclusive or preferential use of a highway facility

may be declared to be effective at all time or at specified times of day or on specified days.

(2) Any transit-only lanes that allow other vehicles to access abutting businesses that are reserved pursuant to subsection (1) of this section may not be authorized for the use of private transportation provider vehicles as described under subsection (1) of this section.

(3) Highway authorities of the state, counties, or incorporated cities and towns may prohibit the use of limited access facilities by the following private transportation provider vehicles: (a) Auto transportation company vehicles regulated under chapter 81.68 RCW; (b) passenger charter carrier vehicles regulated under chapter 81.70 RCW, and marked or unmarked limousines and stretch sport utility vehicles as defined under department of licensing rules; (c) private nonprofit transportation provider vehicles regulated under chapter 81.66 RCW; and (d) private employer transportation service vehicles, when the average transit speed in the high occupancy vehicle travel lane fails to meet department standards and falls below forty-five miles per hour at least ninety percent of the time during the peak hours for two consecutive months.

(4)(a) Local authorities are encouraged to establish a process for private transportation providers, described under subsections (1) and (3) of this section, to apply for the use of limited access facilities that are reserved for the exclusive or preferential use of public transportation vehicles.

(b) The process must provide a list of facilities that the local authority determines to be unavailable for use by the private transportation provider and must provide the criteria used to reach that determination.

(c) The application and review processes must be uniform and should provide for an expeditious response by the authority.

(5) For the purposes of this section, "private employer transportation service" means regularly scheduled, fixed-route transportation service that is similarly marked or identified to display the business name or logo on the driver and passenger sides of the vehicle, meets the annual certification requirements of the department, and is offered by an employer for the benefit of its employees.

NEW SECTION, Sec. 4. A new section is added to chapter 47.04 RCW to read as follows:

When designing portions of a highway that are intended to be used as portions reserved for the exclusive or preferential use of public transportation vehicles, state and local jurisdictions shall consider whether the design will safely accommodate private transportation provider vehicles that may be authorized to use the reserved portions under RCW 46.61.165 and 47.52.025 without interfering with the efficiency, reliability, and safety of public transportation operations.

NEW SECTION, Sec. 5. If any part of this act is found to be in conflict with mitigation requirements under the state environmental policy act (chapter 43.21C RCW) or the national environmental policy act (42 U.S.C. Secs. 4321 through 4347) or in any other way conflicts with federal requirements that are a condition or part of the allocation of federal funds to the state or local facilities, 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 or local authorities.

Passed by the Senate April 22, 2011.
Passed by the House April 21, 2011.
Approved by the Governor May 16, 2011.
Filed in Office of Secretary of State May 17, 2011.

CHAPTER 380

[Filed by Washington Citizens' Commission on Salaries for Elected Officials]

SALARIES—STATE ELECTED OFFICIALS

AN ACT Relating to salaries of elected officials; and amending RCW 43.03.011, 43.03.012, and 43.03.013.

Be it enacted by the Washington citizens' commission on salaries for elected officials of the State of Washington:

Sec. 1. RCW 43.03.011 and 2009 c 581 s 1 are each amended to read as follows:

Pursuant to Article XXVIII, section 1 of the state Constitution and RCW 43.03.010 and 43.03.310, the annual salaries of the state elected officials of the executive branch shall be as follows:

- (1) Effective September 1, (~~2008~~) 2010:
 - (a) Governor. \$ 166,891
 - (b) Lieutenant governor \$ 93,948
 - (c) Secretary of state \$ 116,950
 - (d) Treasurer. \$ 116,950
 - (e) Auditor \$ 116,950
 - (f) Attorney general \$ 151,718
 - (g) Superintendent of public instruction \$ 121,618
 - (h) Commissioner of public lands \$ 121,618
 - (i) Insurance commissioner \$ 116,950
- (2) Effective September 1, (~~2009~~) 2011:
 - (a) Governor. \$ 166,891
 - (b) Lieutenant governor \$ 93,948
 - (c) Secretary of state \$ 116,950
 - (d) Treasurer. \$ 116,950
 - (e) Auditor \$ 116,950
 - (f) Attorney general \$ 151,718
 - (g) Superintendent of public instruction \$ 121,618
 - (h) Commissioner of public lands \$ 121,618
 - (i) Insurance commissioner \$ 116,950
- (3) Effective September 1, (~~2010~~) 2012:
 - (a) Governor. \$ 166,891
 - (b) Lieutenant governor \$ 93,948
 - (c) Secretary of state \$ 116,950
 - (d) Treasurer. \$ 116,950
 - (e) Auditor \$ 116,950
 - (f) Attorney general \$ 151,718

- (g) Superintendent of public instruction \$ 121,618
- (h) Commissioner of public lands \$ 121,618
- (i) Insurance commissioner \$ 116,950
- (4) The lieutenant governor shall receive the fixed amount of his or her salary plus 1/260th of the difference between his or her salary and that of the governor for each day that the lieutenant governor is called upon to perform the duties of the governor by reason of the absence from the state, removal, resignation, death, or disability of the governor.

Sec. 2. RCW 43.03.012 and 2009 c 581 s 2 are each amended to read as follows:

Pursuant to Article XXVIII, section 1 of the state Constitution and RCW 2.04.092, 2.06.062, 2.08.092, 3.58.010, and 43.03.310, the annual salaries of the judges of the state shall be as follows:

- (1) Effective September 1, (~~2008~~) 2010:
 - (a) Justices of the supreme court \$ 164,221
 - (b) Judges of the court of appeals \$ 156,328
 - (c) Judges of the superior court \$ 148,832
 - (d) Full-time judges of the district court \$ 141,710
- (2) Effective September 1, (~~2009~~) 2011:
 - (a) Justices of the supreme court \$ 164,221
 - (b) Judges of the court of appeals \$ 156,328
 - (c) Judges of the superior court \$ 148,832
 - (d) Full-time judges of the district court \$ 141,710
- (3) Effective September 1, (~~2010~~) 2012:
 - (a) Justices of the supreme court \$ 164,221
 - (b) Judges of the court of appeals \$ 156,328
 - (c) Judges of the superior court \$ 148,832
 - (d) Full-time judges of the district court \$ 141,710

(4) The salary for a part-time district court judge shall be the proportion of full-time work for which the position is authorized, multiplied by the salary for a full-time district court judge.

Sec. 3. RCW 43.03.013 and 2009 c 581 s 3 are each amended to read as follows:

Pursuant to Article XXVIII, section 1 of the state Constitution and RCW 43.03.010 and 43.03.310, the annual salary of members of the legislature shall be:

- (1) Effective September 1, (~~2008~~) 2010:
 - (a) Legislators \$ 42,106
 - (b) Speaker of the house \$ 50,106
 - (c) Senate majority leader \$ 50,106
 - (d) House minority leader \$ 46,106
 - (e) Senate minority leader \$ 46,106
- (2) Effective September 1, (~~2009~~) 2011:
 - (a) Legislators \$ 42,106
 - (b) Speaker of the house \$ 50,106
 - (c) Senate majority leader \$ 50,106
 - (d) House minority leader \$ 46,106
 - (e) Senate minority leader \$ 46,106

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- (3) Effective September 1, (~~2010~~) 2012:
 - (a) Legislators \$ 42,106
 - (b) Speaker of the house \$ 50,106
 - (c) Senate majority leader \$ 50,106
 - (d) House minority leader \$ 46,106
 - (e) Senate minority leader \$ 46,106

Filed in Office of Secretary of State May 26, 2011.

WASHINGTON LAWS

2011 SPECIAL SESSION

CHAPTER 1

[Engrossed Second Substitute Senate Bill 5596]

FEDERAL MEDICAID—REQUESTS TO REVISE

AN ACT Relating to creating flexibility in the medicaid program; adding a new section to chapter 74.09 RCW; and creating a new section.

Be it enacted by the Legislature of the State of Washington:

NEW SECTION. Sec. 1. The legislature finds that mounting budget pressures combined with growth in enrollment and constraints in the medicaid program have forced open discussion throughout the country and in our state concerning complete withdrawal from the medicaid program. The legislature recognizes that a better and more sustainable way forward would involve new state flexibility for managing its medicaid program built on the success of the basic health plan and Washington's transitional bridge waiver, where elements of consumer participation and choice, benefit design flexibility, and payment flexibility have helped keep costs low. The legislature further finds that either a centers for medicare and medicaid services' innovation center project or a section 1115 demonstration project, or both, with capped eligibility group per capita payments would allow the state to operate as a laboratory of innovation for bending the cost curve, preserving the safety net, and improving the management of care for low-income populations.

NEW SECTION. Sec. 2. A new section is added to chapter 74.09 RCW to read as follows:

(1) By October 1, 2011, the department shall submit a request to the centers for medicare and medicaid services' innovation center and, if necessary, a request under section 1115 of the social security act, to implement a medicaid and state children's health insurance program demonstration project. The demonstration project shall be designed to achieve the broadest federal financial participation and, to the extent permitted under federal law, shall authorize:

(a) Establishment of base-year, eligibility group per capita payments, with maximum flexibility provided to the state for managing the health care trend and provisions for shared savings if per capita expenditures are below the negotiated rates. The capped eligibility group per capita payments shall: (i) Be based on targeted per capita costs for the full duration of the demonstration period; (ii) include due consideration and flexibility for unforeseen events, changes in the delivery of health care, and changes in federal or state law; and (iii) take into account the effect of the federal patient protection and affordable care act on federal resources devoted to medicaid and state children's health insurance programs. Federal payments for each eligibility group shall be based on the product of the negotiated per capita payments for the eligibility group multiplied by the actual caseload for the eligibility group;

(b) Coverage of benefits determined to be essential health benefits under section 1302(b) of the federal patient protection and affordable care act, 42 U.S.C. 18022(b), with coverage of benefits in addition to the essential health benefits as appropriate for distinct categories of enrollees such as children, pregnant women, individuals with disabilities, and elderly adults;

(c) Limited, reasonable, and enforceable cost sharing and premiums to encourage informed consumer behavior and appropriate utilization of health

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services, while ensuring that access to evidence-based, preventative and primary care is not hindered;

(d) Streamlined eligibility determinations;

(e) Innovative reimbursement methods such as bundled, global, and risk-bearing payment arrangements, that promote effective purchasing, efficient use of health services, and support health homes, accountable care organizations, and other innovations intended to contain costs, improve health, and incent smart consumer decision making;

(f) Clients to voluntarily enroll in the insurance exchange, and broadened enrollment in employer-sponsored insurance when available and deemed cost-effective for the state, with authority to require clients to remain enrolled in their chosen plan for the calendar year;

(g) An expedited process of forty-five days or less in which the centers for medicare and medicaid services must respond to any state request for changes to the demonstration project once it is implemented to ensure that the state has the necessary flexibility to manage within its eligibility group per capita payment caps; and

(h) The development of an alternative payment methodology for federally qualified health centers and rural health clinics that enables capitated or global payment of enhanced payments.

(2) The department shall provide status reports to the joint legislative select committee on health reform implementation as requested by the committee.

(3) The department shall provide multiple opportunities for stakeholders and the general public to review and comment on the request as it developed.

(4) The department shall identify changes to state law necessary to ensure successful and timely implementation of the demonstration project.

Passed by the Senate May 10, 2011.

Passed by the House May 9, 2011.

Approved by the Governor May 31, 2011.

Filed in Office of Secretary of State June 1, 2011.

CHAPTER 2

[Engrossed House Bill 1248]

BUDGET REDUCTIONS—EMERGENCY RULES

AN ACT Relating to authorizing emergency rule making when necessary to implement fiscal reductions; and amending RCW 34.05.350; and declaring an emergency.

Be it enacted by the Legislature of the State of Washington:

Sec. 1. RCW 34.05.350 and 2009 c 559 s 1 are each amended to read as follows:

(1) If an agency for good cause finds:

(a) That immediate adoption, amendment, or repeal of a rule is necessary for the preservation of the public health, safety, or general welfare, and that observing the time requirements of notice and opportunity to comment upon adoption of a permanent rule would be contrary to the public interest;

(b) That state or federal law or federal rule or a federal deadline for state receipt of federal funds requires immediate adoption of a rule; or

(c) In order to implement the requirements or reductions in appropriations enacted in any budget for fiscal year((s)) 2009, 2010, ((~~or~~) 2011, 2012, or 2013, which necessitates the need for the immediate adoption, amendment, or repeal of a rule, and that observing the time requirements of notice and opportunity to comment upon adoption of a permanent rule would be contrary to the fiscal needs or requirements of the agency,

the agency may dispense with those requirements and adopt, amend, or repeal the rule on an emergency basis. The agency's finding and a concise statement of the reasons for its finding shall be incorporated in the order for adoption of the emergency rule or amendment filed with the office of the code reviser under RCW 34.05.380 and with the rules review committee.

(2) An emergency rule adopted under this section takes effect upon filing with the code reviser, unless a later date is specified in the order of adoption, and may not remain in effect for longer than one hundred twenty days after filing. Identical or substantially similar emergency rules may not be adopted in sequence unless conditions have changed or the agency has filed notice of its intent to adopt the rule as a permanent rule, and is actively undertaking the appropriate procedures to adopt the rule as a permanent rule. This section does not relieve any agency from compliance with any law requiring that its permanent rules be approved by designated persons or bodies before they become effective.

(3) Within seven days after the rule is adopted, any person may petition the governor requesting the immediate repeal of a rule adopted on an emergency basis by any department listed in RCW 43.17.010. Within seven days after submission of the petition, the governor shall either deny the petition in writing, stating his or her reasons for the denial, or order the immediate repeal of the rule. In ruling on the petition, the governor shall consider only whether the conditions in subsection (1) of this section were met such that adoption of the rule on an emergency basis was necessary. If the governor orders the repeal of the emergency rule, any sanction imposed based on that rule is void. This subsection shall not be construed to prohibit adoption of any rule as a permanent rule.

NEW SECTION. Sec. 2. This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and takes effect immediately.

Passed by the House May 10, 2011.

Passed by the Senate May 17, 2011.

Approved by the Governor May 31, 2011.

Filed in Office of Secretary of State June 1, 2011.

CHAPTER 3

[Engrossed Substitute House Bill 1277]

VULNERABLE ADULTS

AN ACT Relating to oversight of licensed or certified long-term care settings for vulnerable adults; amending RCW 70.128.005, 70.128.050, 70.128.065, 70.128.070, 70.128.120, 70.128.130, 70.128.140, 70.128.160, 70.128.220, 70.129.040, 70.128.125, 18.20.180, 18.51.050, 18.20.050, and 70.128.060; adding new sections to chapter 74.39A RCW; creating new sections; repealing RCW 70.128.175; prescribing penalties; providing an effective date; and declaring an emergency.

Be it enacted by the Legislature of the State of Washington:

**PART I
INTENT**

NEW SECTION. Sec. 101. The legislature finds that Washington's long-term care system should more aggressively promote protections for the vulnerable populations it serves. The legislature intends to address current statutes and funding levels that limit the department of social and health services' ability to promote vulnerable adult protections. The legislature further intends that the cost of facility oversight should be supported by an appropriate license fee paid by the regulated businesses, rather than by the general taxpayers.

**PART II
ADULT FAMILY HOME REQUIREMENTS**

Sec. 201. RCW 70.128.005 and 2009 c 530 s 2 are each amended to read as follows:

(1) The legislature finds that:

(a) Adult family homes are an important part of the state's long-term care system. Adult family homes provide an alternative to institutional care and promote a high degree of independent living for residents.

(b) Persons with functional limitations have broadly varying service needs. Adult family homes that can meet those needs are an essential component of a long-term system. Different populations living in adult family homes, such as persons with developmental disabilities and elderly persons, often have significantly different needs and capacities from one another.

(c) There is a need to update certain restrictive covenants to take into consideration the legislative findings cited in (a) and (b) of this subsection; the need to prevent or reduce institutionalization; and the legislative and judicial mandates to provide care and services in the least restrictive setting appropriate to the needs of the individual. Restrictive covenants which directly or indirectly restrict or prohibit the use of property for adult family homes (i) are contrary to the public interest served by establishing adult family homes and (ii) discriminate against individuals with disabilities in violation of RCW 49.60.224.

(2) It is the legislature's intent that department rules and policies relating to the licensing and operation of adult family homes recognize and accommodate the different needs and capacities of the various populations served by the homes. Furthermore, the development and operation of adult family homes that ~~((ean))~~ promote the health, welfare, and safety of residents, and provide quality personal care and special care services should be encouraged.

(3) The legislature finds that many residents of community-based long-term care facilities are vulnerable and their health and well-being are dependent on their caregivers. The quality, skills, and knowledge of their caregivers are the key to good care. The legislature finds that the need for well-trained caregivers is growing as the state's population ages and residents' needs increase. The legislature intends that current training standards be enhanced.

(4) The legislature finds that the state of Washington has a compelling interest in ~~((protecting and promoting))~~ developing and enforcing standards that promote the health, welfare, and safety of vulnerable adults residing in adult

family homes. The health, safety, and well-being of vulnerable adults must be the paramount concern in determining whether to issue a license to an applicant, whether to suspend or revoke a license, or whether to take other licensing actions.

Sec. 202. RCW 70.128.050 and 1989 c 427 s 19 are each amended to read as follows:

(1) After July 1, 1990, no person shall operate or maintain an adult family home in this state without a license under this chapter.

(2) Couples legally married or state registered domestic partners:

(a) May not apply for separate licenses; and

(b) May apply jointly to be coproviders if they are both qualified. One person may apply to be a provider without requiring the other person to apply.

Sec. 203. RCW 70.128.065 and 1996 c 81 s 6 are each amended to read as follows:

(1) A multiple facility operator must successfully demonstrate to the department financial solvency and management experience for the homes under its ownership and the ability to meet other relevant safety, health, and operating standards pertaining to the operation of multiple homes, including ways to mitigate the potential impact of vehicular traffic related to the operation of the homes.

(2) The department shall only accept an application for licensure of an additional home when:

(a) A period of no less than twenty-four months has passed since the issuance of the initial adult family home license; and

(b) The department has taken no enforcement actions against the applicant's currently licensed adult family homes during the twenty-four months prior to application.

(3) The department shall only accept an additional application for licensure of other adult family homes when twelve months has passed since the previous adult family home license, and the department has taken no enforcement actions against the applicant's currently licensed adult family homes during the twelve months prior to application.

(4) In the event of serious noncompliance leading to the imposition of one or more actions listed in RCW 70.128.160(2) for violation of federal, state, or local laws, or regulations relating to provision of care or services to vulnerable adults or children, the department is authorized to take one or more actions listed in RCW 70.128.160(2) against any home or homes operated by the provider if there is a violation in the home or homes.

(5) In the event of serious noncompliance in a home operated by a provider with multiple adult family homes, leading to the imposition of one or more actions listed in RCW 70.128.160(2), the department shall inspect the other homes operated by the provider to determine whether the same or related deficiencies are present in those homes. The cost of these additional inspections may be imposed on the provider as a civil penalty up to a maximum of three hundred dollars per additional inspection.

(6) A provider is ultimately responsible for the day-to-day operations of each licensed home.

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Sec. 204. RCW 70.128.070 and 2004 c 143 s 1 are each amended to read as follows:

(1) A license shall remain valid unless voluntarily surrendered, suspended, or revoked in accordance with this chapter.

(2)(a) Homes applying for a license shall be inspected at the time of licensure.

(b) Homes licensed by the department shall be inspected at least every eighteen months, ~~((subject to available funds))~~ with an annual average of fifteen months. However, an adult family home may be allowed to continue without inspection for two years if the adult family home had no inspection citations for the past three consecutive inspections and has received no written notice of violations resulting from complaint investigations during that same time period.

(c) The department may make an unannounced inspection of a licensed home at any time to assure that the home and provider are in compliance with this chapter and the rules adopted under this chapter.

(3) If the department finds that the home is not in compliance with this chapter, it shall require the home to correct any violations as provided in this chapter.

Sec. 205. RCW 70.128.120 and 2006 c 249 s 1 are each amended to read as follows:

Each adult family home provider, applicant, and each resident manager shall have the following minimum qualifications, except that only ~~((providers))~~ applicants are required to meet the provisions of subsections (10) and (11) of this section:

(1) Twenty-one years of age or older;

(2) For those applying after September 1, 2001, to be licensed as providers, and for resident managers whose employment begins after September 1, 2001, a United States high school diploma or general educational development (GED) certificate or any English or translated government documentation of the following:

(a) Successful completion of government-approved public or private school education in a foreign country that includes an annual average of one thousand hours of instruction over twelve years or no less than twelve thousand hours of instruction;

(b) A foreign college, foreign university, or United States community college two-year diploma;

(c) Admission to, or completion of coursework at, a foreign university or college for which credit was granted;

(d) Admission to, or completion of coursework at, a United States college or university for which credits were awarded;

(e) Admission to, or completion of postgraduate coursework at, a United States college or university for which credits were awarded; or

(f) Successful passage of the United States board examination for registered nursing, or any professional medical occupation for which college or university education preparation was required;

(3) Good moral and responsible character and reputation;

(4) Literacy and the ability to communicate in the English language(~~;~~ ~~however, a person not literate in the English language may meet the requirements of this subsection by assuring that there is a person on staff and~~

~~available who is able to communicate or make provisions for communicating with the resident in his or her primary language and capable of understanding and speaking English well enough to be able to respond appropriately to emergency situations and be able to read and understand resident care plans));~~

(5) Management and administrative ability to carry out the requirements of this chapter;

(6) Satisfactory completion of department-approved basic training and continuing education training as ~~((specified by the department in rule, based on recommendations of the community long-term care training and education steering committee and working in collaboration with providers, consumers, caregivers, advocates, family members, educators, and other interested parties in the rule-making process))~~ required by RCW 74.39A.073, and in rules adopted by the department;

(7) Satisfactory completion of department-approved, or equivalent, special care training before a provider may provide special care services to a resident;

(8) Not been convicted of any crime ~~((listed in))~~ that is disqualifying under RCW 43.43.830 ~~((and))~~ or 43.43.842, or department rules adopted under this chapter, or been found to have abused, neglected, exploited, or abandoned a minor or vulnerable adult as specified in RCW 74.39A.050(8);

(9) For those applying ~~((after September 1, 2001,))~~ to be licensed as providers, and for resident managers whose employment begins after ((September 1, 2004)) the effective date of this section, at least ((three hundred twenty)) one thousand hours in the previous sixty months of successful, direct caregiving experience obtained after age eighteen to vulnerable adults in a licensed or contracted setting prior to operating or managing an adult family home. The applicant or resident manager must have credible evidence of the successful, direct caregiving experience or, currently hold one of the following professional licenses: Physician licensed under chapter 18.71 RCW; osteopathic physician licensed under chapter 18.57 RCW; osteopathic physician assistant licensed under chapter 18.57A RCW; physician assistant licensed under chapter 18.71A RCW; registered nurse, advanced registered nurse practitioner, or licensed practical nurse licensed under chapter 18.79 RCW; ~~((and))~~

~~((10))~~ ~~((Prior to being granted a license, providers applying after January 1, 2007,))~~ For applicants, proof of financial solvency, as defined in rule; and

~~((11))~~ Applicants must successfully complete ((a department approved forty-eight hour)) an adult family home administration and business planning class, prior to being granted a license. The class must be a minimum of forty-eight hours of classroom time and approved by the department. The department shall promote and prioritize bilingual capabilities within available resources and when materials are available for this purpose.

Sec. 206. RCW 70.128.130 and 2000 c 121 s 6 are each amended to read as follows:

(1) The provider is ultimately responsible for the day-to-day operations of each licensed adult family home.

(2) The provider shall promote the health, safety, and well-being of each resident residing in each licensed adult family home.

(3) Adult family homes shall be maintained internally and externally in good repair and condition. Such homes shall have safe and functioning systems for heating, cooling, hot and cold water, electricity, plumbing, garbage disposal,

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sewage, cooking, laundry, artificial and natural light, ventilation, and any other feature of the home.

~~((2))~~ (4) In order to preserve and promote the residential home-like nature of adult family homes, adult family homes licensed after the effective date of this section shall:

(a) Have sufficient space to accommodate all residents at one time in the dining and living room areas:

(b) Have hallways and doorways wide enough to accommodate residents who use mobility aids such as wheelchairs and walkers; and

(c) Have outdoor areas that are safe and accessible for residents to use.

(5) The adult family home must provide all residents access to resident common areas throughout the adult family home including, but not limited to, kitchens, dining and living areas, and bathrooms, to the extent that they are safe under the resident's care plan.

(6) Adult family homes shall be maintained in a clean and sanitary manner, including proper sewage disposal, food handling, and hygiene practices.

~~((3))~~ (7) Adult family homes shall develop a fire drill plan for emergency evacuation of residents, shall have working smoke detectors in each bedroom where a resident is located, shall have working fire extinguishers on each floor of the home, and shall not keep nonambulatory patients above the first floor of the home.

~~((4))~~ (8) The adult family home shall ensure that all residents can be safely evacuated in an emergency.

(9) Adult family homes shall have clean, functioning, and safe household items and furnishings.

~~((5))~~ (10) Adult family homes shall provide a nutritious and balanced diet and shall recognize residents' needs for special diets.

~~((6))~~ (11) Adult family homes shall establish health care procedures for the care of residents including medication administration and emergency medical care.

(a) Adult family home residents shall be permitted to self-administer medications.

(b) Adult family home providers may administer medications and deliver special care only to the extent authorized by law.

~~((7))~~ (12) Adult family home providers shall either: (a) Reside at the adult family home; or (b) employ or otherwise contract with a qualified resident manager to reside at the adult family home. The department may exempt, for good cause, a provider from the requirements of this subsection by rule.

~~((8))~~ (13) A provider will ensure that any volunteer, student, employee, or person residing within the adult family home who will have unsupervised access to any resident shall not have been convicted of a crime listed under RCW 43.43.830 or 43.43.842, or been found to have abused, neglected, exploited, or abandoned a minor or vulnerable adult as specified in RCW 74.39A.050(8). ~~(Except that)~~ A provider may conditionally employ a person ~~(may be conditionally employed)~~ pending the completion of a criminal conviction background inquiry, but may not allow the person to have unsupervised access to any resident.

~~((9))~~ (14) A provider shall offer activities to residents under care as defined by the department in rule.

~~((10))~~ (15) An adult family home must be financially solvent, and upon request for good cause, shall provide the department with detailed information about the home's finances. Financial records of the adult family home may be examined when the department has good cause to believe that a financial obligation related to resident care or services will not be met.

(16) An adult family home provider must ensure that staff are competent and receive necessary training to perform assigned tasks. Staff must satisfactorily complete department-approved staff orientation, basic training, and continuing education as specified by the department by rule. The provider shall ensure that a qualified caregiver is on-site whenever a resident is at the adult family home. Notwithstanding RCW 70.128.230, until orientation and basic training are successfully completed, a caregiver may not provide hands-on personal care to a resident without on-site supervision by a person who has successfully completed basic training or been exempted from the training pursuant to statute.

(17) The provider and resident manager must assure that there is:

(a) A mechanism to communicate with the resident in his or her primary language either through a qualified person on-site or readily available at all times, or other reasonable accommodations, such as language lines; and

(b) Staff on-site at all times capable of understanding and speaking English well enough to be able to respond appropriately to emergency situations and be able to read and understand resident care plans.

Sec. 207. RCW 70.128.140 and 1995 1st sp.s. c 18 s 26 are each amended to read as follows:

(1) Each adult family home shall meet applicable local licensing, zoning, building, and housing codes, and state and local fire safety regulations as they pertain to a single-family residence. It is the responsibility of the home to check with local authorities to ensure all local codes are met.

(2) An adult family home must be considered a residential use of property for zoning and public and private utility rate purposes. Adult family homes are a permitted use in all areas zoned for residential or commercial purposes, including areas zoned for single-family dwellings.

Sec. 208. RCW 70.128.160 and 2001 c 193 s 5 are each amended to read as follows:

(1) The department is authorized to take one or more of the actions listed in subsection (2) of this section in any case in which the department finds that an adult family home provider has:

(a) Failed or refused to comply with the requirements of this chapter or the rules adopted under this chapter;

(b) Operated an adult family home without a license or under a revoked license;

(c) Knowingly or with reason to know made a false statement of material fact on his or her application for license or any data attached thereto, or in any matter under investigation by the department; or

(d) Willfully prevented or interfered with any inspection or investigation by the department.

(2) When authorized by subsection (1) of this section, the department may take one or more of the following actions:

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(a) Refuse to issue a license;
(b) Impose reasonable conditions on a license, such as correction within a specified time, training, and limits on the type of clients the provider may admit or serve;

(c) Impose civil penalties of ~~((not more than))~~ at least one hundred dollars per day per violation;

(d) Impose civil penalties of up to three thousand dollars for each incident that violates adult family home licensing laws and rules, including, but not limited to, chapters 70.128, 70.129, 74.34, and 74.39A RCW and related rules. Each day upon which the same or substantially similar action occurs is a separate violation subject to the assessment of a separate penalty;

(e) Impose civil penalties of up to ten thousand dollars for a current or former licensed provider who is operating an unlicensed home;

(f) Suspend, revoke, or refuse to renew a license; or

~~((e))~~ (g) Suspend admissions to the adult family home by imposing stop placement.

(3) When the department orders stop placement, the facility shall not admit any person until the stop placement order is terminated. The department may approve readmission of a resident to the facility from a hospital or nursing home during the stop placement. The department shall terminate the stop placement when: (a) The violations necessitating the stop placement have been corrected; and (b) the provider exhibits the capacity to maintain correction of the violations previously found deficient. However, if upon the revisit the department finds new violations that the department reasonably believes will result in a new stop placement, the previous stop placement shall remain in effect until the new stop placement is imposed.

(4) After a department finding of a violation for which a stop placement has been imposed, the department shall make an on-site revisit of the provider within fifteen working days from the request for revisit, to ensure correction of the violation. For violations that are serious or recurring or uncorrected following a previous citation, and create actual or threatened harm to one or more residents' well-being, including violations of residents' rights, the department shall make an on-site revisit as soon as appropriate to ensure correction of the violation. Verification of correction of all other violations may be made by either a department on-site revisit or by written or photographic documentation found by the department to be credible. This subsection does not prevent the department from enforcing license suspensions or revocations. Nothing in this subsection shall interfere with or diminish the department's authority and duty to ensure that the provider adequately cares for residents, including to make departmental on-site revisits as needed to ensure that the provider protects residents, and to enforce compliance with this chapter.

(5) Chapter 34.05 RCW applies to department actions under this section, except that orders of the department imposing license suspension, stop placement, or conditions for continuation of a license are effective immediately upon notice and shall continue in effect pending any hearing.

(6) A separate adult family home account is created in the custody of the state treasurer. All receipts from civil penalties imposed under this chapter must be deposited into the account. Only the director or the director's designee may authorize expenditures from the account. The account is subject to allotment

procedures under chapter 43.88 RCW, but an appropriation is not required for expenditures. The department shall use the special account only for promoting the quality of life and care of residents living in adult family homes.

(7) The department shall by rule specify criteria as to when and how the sanctions specified in this section must be applied. The criteria must provide for the imposition of incrementally more severe penalties for deficiencies that are repeated, uncorrected, pervasive, or present a threat to the health, safety, or welfare of one or more residents. The criteria shall be tiered such that those homes consistently found to have deficiencies will be subjected to increasingly severe penalties. The department shall implement prompt and specific enforcement remedies without delay for providers found to have delivered care or failed to deliver care resulting in problems that are repeated, uncorrected, pervasive, or present a threat to the health, safety, or welfare of one or more residents. In the selection of remedies, the health, safety, and well-being of residents must be of paramount importance.

Sec. 209. RCW 70.128.220 and 2002 c 223 s 3 are each amended to read as follows:

Adult family homes have developed rapidly in response to the health and social needs of the aging population in community settings, especially as the aging population has increased in proportion to the general population. The growing demand for elder care with a new focus on issues affecting senior citizens, including persons with developmental disabilities, mental illness, or dementia, has prompted a growing professionalization of adult family home providers to address quality care and quality of life issues consistent with standards of accountability and regulatory safeguards for the health and safety of the residents. ~~((The establishment of an advisory committee to the department of social and health services under RCW 70.128.225 formalizes a stable process for discussing and considering these issues among residents and their advocates, regulatory officials, and adult family home providers. The dialogue among all stakeholders interested in maintaining a healthy option for the aging population in community settings assures the highest regard for the well-being of these residents within a benign and functional regulatory environment. The secretary shall be advised by an advisory committee on adult family homes established under RCW 70.128.225.))~~

NEW SECTION. Sec. 210. RCW 70.128.175 (Definitions) and 1997 c 392 s 401, 1995 1st sp.s. c 18 s 29, & 1989 1st ex.s. c 9 s 815 are each repealed.

PART III PROTECTION OF RESIDENTS' FUNDS

Sec. 301. RCW 70.129.040 and 1995 1st sp.s. c 18 s 66 are each amended to read as follows:

(1) The resident has the right to manage his or her financial affairs, and the facility may not require residents to deposit their personal funds with the facility.

(2) Upon written authorization of a resident, if the facility agrees to manage the resident's personal funds, the facility must hold, safeguard, manage, and account for the personal funds of the resident deposited with the facility as specified in this section.

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(a) The facility must deposit a resident's personal funds in excess of one hundred dollars in an interest-bearing account or accounts that is separate from any of the facility's operating accounts, and that credits all interest earned on residents' funds to that account. In pooled accounts, there must be a separate accounting for each resident's share.

(b) The facility must maintain a resident's personal funds that do not exceed one hundred dollars in a noninterest-bearing account, interest-bearing account, or petty cash fund.

(3) The facility must establish and maintain a system that assures a full and complete and separate accounting of each resident's personal funds entrusted to the facility on the resident's behalf.

(a) The system must preclude any commingling of resident funds with facility funds or with the funds of any person other than another resident.

(b) The individual financial record must be available on request to the resident or his or her legal representative.

(4) Upon the death of a resident with ~~((a))~~ personal funds deposited with the facility, the facility must convey within ~~((forty-five))~~ thirty days the resident's funds, and a final accounting of those funds, to the individual or probate jurisdiction administering the resident's estate; but in the case of a resident who received long-term care services paid for by the state, the funds and accounting shall be sent to the state of Washington, department of social and health services, office of financial recovery. The department shall establish a release procedure for use for burial expenses.

(5) If any funds in excess of one hundred dollars are paid to an adult family home by the resident or a representative of the resident, as a security deposit for performance of the resident's obligations, or as prepayment of charges beyond the first month's residency, the funds shall be deposited by the adult family home in an interest-bearing account that is separate from any of the home's operating accounts, and that credits all interest earned on the resident's funds to that account. In pooled accounts, there must be a separate accounting for each resident's share. The account or accounts shall be in a financial institution as defined by RCW 30.22.041, and the resident shall be notified in writing of the name, address, and location of the depository. The adult family home may not commingle resident funds from these accounts with the adult family home's funds or with the funds of any person other than another resident. The individual resident's account record shall be available upon request by the resident or the resident's representative.

(6) The adult family home shall provide the resident or the resident's representative full disclosure in writing, prior to the receipt of any funds for a deposit, security, prepaid charges, or any other fees or charges, specifying what the funds are paid for and the basis for retaining any portion of the funds if the resident dies, is hospitalized, or is transferred or discharged from the adult family home. The disclosure must be in a language that the resident or the resident's representative understands, and be acknowledged in writing by the resident or the resident's representative. The adult family home shall retain a copy of the disclosure and the acknowledgment. The adult family home may not retain funds for reasonable wear and tear by the resident or for any basis that would violate RCW 70.129.150.

(7) Funds paid by the resident or the resident's representative to the adult family home, which the adult family home in turn pays to a placement agency or person, shall be governed by the disclosure requirements of this section. If the resident then dies, is hospitalized, or is transferred or discharged from the adult family home, and is entitled to any refund of funds under this section or RCW 70.129.150, the adult family home shall refund the funds to the resident or the resident's representative within thirty days of the resident leaving the adult family home, and may not require the resident to obtain the refund from the placement agency or person.

(8) If, during the stay of the resident, the status of the adult family home licensee or ownership is changed or transferred to another, any funds in the resident's accounts affected by the change or transfer shall simultaneously be deposited in an equivalent account or accounts by the successor or new licensee or owner, who shall promptly notify the resident or the resident's representative in writing of the name, address, and location of the new depository.

(9) Because it is a matter of great public importance to protect residents who need long-term care from deceptive disclosures and unfair retention of deposits, fees, or prepaid charges by adult family homes, a violation of this section or RCW 70.129.150 shall be construed for purposes of the consumer protection act, chapter 19.86 RCW, to constitute an unfair or deceptive act or practice or an unfair method of competition in the conduct of trade or commerce. The resident's claim to any funds paid under this section shall be prior to that of any creditor of the adult family home, its owner, or licensee, even if such funds are commingled.

Sec. 302. RCW 70.128.125 and 1994 c 214 s 24 are each amended to read as follows:

RCW 70.129.005 through 70.129.030, 70.129.040(~~((+))~~), and 70.129.050 through 70.129.170 apply to this chapter and persons regulated under this chapter.

Sec. 303. RCW 18.20.180 and 1994 c 214 s 21 are each amended to read as follows:

RCW 70.129.005 through 70.129.030, 70.129.040(~~((+))~~), and 70.129.050 through 70.129.170 apply to this chapter and persons regulated under this chapter.

PART IV LONG-TERM CARE LICENSING FEES

Sec. 401. RCW 18.51.050 and 1991 sp.s. c 8 s 1 are each amended to read as follows:

(1)(a) Upon receipt of an application for a license, the department (~~shall~~) may issue a license if the applicant and the nursing (~~home~~) home's facilities meet the requirements established under this chapter, except that the department shall issue a temporary license to a court-appointed receiver for a period not to exceed six months from the date of appointment. (~~Prior to the issuance or renewal of the license, the licensee shall pay a license fee as established by the department.~~)

(b)(i) Except as provided in (b)(ii) of this subsection, prior to the issuance or renewal of the license, the licensee shall pay a license fee. Beginning July 1,

2011, and thereafter, the per bed license fee must be established in the omnibus appropriations act and any amendment or additions made to that act. The license fees established in the omnibus appropriations act and any amendment or additions made to that act may not exceed the department's annual licensing and oversight activity costs and shall include the department's cost of paying providers for the amount of the license fee attributed to medicaid clients.

(ii) No fee shall be required of government operated institutions or court-appointed receivers. ((AH))

(c) A license((s)) issued under ((the provisions of)) this chapter ((shall)) may not exceed twelve months in duration and expires on a date ((to be)) set by the department(, but no license issued pursuant to this chapter shall exceed thirty-six months in duration. When).

(d) In the event of a change of ownership ((occurs, the entity becoming the licensed operating entity of the facility shall pay a fee established by the department at the time of application for the license:)), the previously ((determined date of)) established license expiration date shall not change. ((The department shall establish license fees at an amount adequate to reimburse the department in full for all costs of its licensing activities for nursing homes, adjusted to cover the department's cost of reimbursing such fees through medicaid.))

(2) All applications and fees for renewal of the license shall be submitted to the department not later than thirty days prior to the date of expiration of the license. All applications and fees, if any, for change of ownership ((licenses)) shall be submitted to the department not later than sixty days before the date of the proposed change of ownership. ((Each)) A nursing home license shall be issued only to the ((operating entity and those persons named in the license application)) person who applied for the license. The license is valid only for the operation of the facility at the location specified in the license application. Licenses are not transferable or assignable. Licenses shall be posted in a conspicuous place on the licensed premises.

Sec. 402. RCW 18.20.050 and 2004 c 140 s 1 are each amended to read as follows:

(1)(a) Upon receipt of an application for license, if the applicant and the boarding ((home)) home's facilities meet the requirements established under this chapter, the department ((shall)) may issue a license. If there is a failure to comply with the provisions of this chapter or the ((standards and)) rules adopted ((pursuant thereto)) under this chapter, the department may in its discretion issue a provisional license to an applicant for a license(;) or for the renewal of a license(;). A provisional license ((which will)) permits the operation of the boarding home for a period to be determined by the department, but not to exceed twelve months(, which provisional license shall not be) and is not subject to renewal. The department may also place conditions on the license under RCW 18.20.190. ((At the time of the application for or renewal of a license or provisional license the licensee shall pay a license fee as established by the department under RCW 43.20B.110. All licenses issued under the provisions of this chapter shall expire on a date to be set by the department, but no license issued pursuant to this chapter shall exceed twelve months in duration. However, when the annual license renewal date of a previously licensed boarding home is set by the department on a date less than twelve

months prior to the expiration date of a license in effect at the time of reissuance, the license fee shall be prorated on a monthly basis and a credit be allowed at the first renewal of a license for any period of one month or more covered by the previous license.)

(b) At the time of the application for or renewal of a license or provisional license, the licensee shall pay a license fee. Beginning July 1, 2011, and thereafter, the per bed license fee must be established in the omnibus appropriations act and any amendment or additions made to that act. The license fees established in the omnibus appropriations act and any amendment or additions made to that act may not exceed the department's annual licensing and oversight activity costs and must include the department's cost of paying providers for the amount of the license fee attributed to medicaid clients.

(c) A license issued under this chapter may not exceed twelve months in duration and expires on a date set by the department. A boarding home license must be issued only to the person that applied for the license. All applications for renewal of a license shall be made not later than thirty days prior to the date of expiration of the license. Each license shall be issued only for the premises and persons named in the application, and no license shall be transferable or assignable. Licenses shall be posted in a conspicuous place on the licensed premises.

(2) A licensee who receives notification of the department's initiation of a denial, suspension, nonrenewal, or revocation of a boarding home license may, in lieu of appealing the department's action, surrender or relinquish the license. The department shall not issue a new license to or contract with the licensee, for the purposes of providing care to vulnerable adults or children, for a period of twenty years following the surrendering or relinquishment of the former license. The licensing record shall indicate that the licensee relinquished or surrendered the license, without admitting the violations, after receiving notice of the department's initiation of a denial, suspension, nonrenewal, or revocation of a license.

(3) The department shall establish, by rule, the circumstances requiring a change in licensee, which include, but are not limited to, a change in ownership or control of the boarding home or licensee, a change in the licensee's form of legal organization, such as from sole proprietorship to partnership or corporation, and a dissolution or merger of the licensed entity with another legal organization. The new licensee is subject to the provisions of this chapter, the rules adopted under this chapter, and other applicable law. In order to ensure that the safety of residents is not compromised by a change in licensee, the new licensee is responsible for correction of all violations that may exist at the time of the new license.

(4) The department may deny, suspend, modify, revoke, or refuse to renew a license when the department finds that the applicant or licensee or any partner, officer, director, managerial employee, or majority owner of the applicant or licensee:

(a) Operated a boarding home without a license or under a revoked or suspended license; or

(b) Knowingly or with reason to know made a false statement of a material fact (i) in an application for license or any data attached to the application, or (ii) in any matter under investigation by the department; or

(c) Refused to allow representatives or agents of the department to inspect (i) the books, records, and files required to be maintained, or (ii) any portion of the premises of the boarding home; or

(d) Willfully prevented, interfered with, or attempted to impede in any way (i) the work of any authorized representative of the department, or (ii) the lawful enforcement of any provision of this chapter; or

(e) Has a history of significant noncompliance with federal or state regulations in providing care or services to vulnerable adults or children. In deciding whether to deny, suspend, modify, revoke, or refuse to renew a license under this section, the factors the department considers shall include the gravity and frequency of the noncompliance.

(5) The department shall serve upon the applicant a copy of the decision granting or denying an application for a license. An applicant shall have the right to contest denial of his or her application for a license as provided in chapter 34.05 RCW by requesting a hearing in writing within twenty-eight days after receipt of the notice of denial.

Sec. 403. RCW 70.128.060 and 2009 c 530 s 5 are each amended to read as follows:

(1) An application for license shall be made to the department upon forms provided by it and shall contain such information as the department reasonably requires.

(2) Subject to the provisions of this section, the department shall issue a license to an adult family home if the department finds that the applicant and the home are in compliance with this chapter and the rules adopted under this chapter ~~((unless))~~. The department may not issue a license if (a) the applicant or a person affiliated with the applicant has prior violations of this chapter relating to the adult family home subject to the application or any other adult family home, or of any other law regulating residential care facilities within the past ~~((five))~~ ten years that resulted in revocation, suspension, or nonrenewal of a license or contract with the department; or (b) the applicant or a person affiliated with the applicant has a history of significant noncompliance with federal, state, or local laws, rules, or regulations relating to the provision of care or services to vulnerable adults or to children. A person is considered affiliated with an applicant if the person is listed on the license application as a partner, officer, director, resident manager, or majority owner of the applying entity, or is the spouse of the applicant.

(3) The license fee shall be submitted with the application.

(4) Proof of financial solvency must be submitted when requested by the department.

~~(5)~~ The department shall serve upon the applicant a copy of the decision granting or denying an application for a license. An applicant shall have the right to contest denial of his or her application for a license as provided in chapter 34.05 RCW by requesting a hearing in writing within twenty-eight days after receipt of the notice of denial.

~~((5))~~ (6) The department shall not issue a license to a provider if the department finds that the provider or spouse of the provider or any partner, officer, director, managerial employee, or majority owner has a history of significant noncompliance with federal or state regulations, rules, or laws in providing care or services to vulnerable adults or to children.

~~((6))~~ (7) The department shall license an adult family home for the maximum level of care that the adult family home may provide. The department shall define, in rule, license levels based upon the education, training, and caregiving experience of the licensed provider or staff.

~~((7))~~ (8) The department shall establish, by rule, standards used to license nonresident providers and multiple facility operators.

~~((8))~~ (9) The department shall establish, by rule, for multiple facility operators educational standards substantially equivalent to recognized national certification standards for residential care administrators.

~~((9) The license fee shall be set at one hundred dollars per year for each home. An eight hundred dollar processing fee shall also be charged each home when the home is initially licensed. The processing fee will be applied toward the license renewal in the subsequent three years. A five hundred dollar rebate will be returned to any home that renews after four years in operation.)~~

(10) At the time of an application for an adult family home license and upon the annual fee renewal date set by the department, the licensee shall pay a license fee. Beginning July 1, 2011, the per bed license fee and any processing fees, including the initial license fee, must be established in the omnibus appropriations act and any amendment or additions made to that act. The license fees established in the omnibus appropriations act and any amendment or additions made to that act may not exceed the department's annual licensing and oversight activity costs and must include the department's cost of paying providers for the amount of the license fee attributed to medicaid clients.

(11) A provider who receives notification of the department's initiation of a denial, suspension, nonrenewal, or revocation of an adult family home license may, in lieu of appealing the department's action, surrender or relinquish the license. The department shall not issue a new license to or contract with the provider, for the purposes of providing care to vulnerable adults or children, for a period of twenty years following the surrendering or relinquishment of the former license. The licensing record shall indicate that the provider relinquished or surrendered the license, without admitting the violations, after receiving notice of the department's initiation of a denial, suspension, nonrenewal, or revocation of a license.

~~((11))~~ (12) The department shall establish, by rule, the circumstances requiring a change in the licensed provider, which include, but are not limited to, a change in ownership or control of the adult family home or provider, a change in the provider's form of legal organization, such as from sole proprietorship to partnership or corporation, and a dissolution or merger of the licensed entity with another legal organization. The new provider is subject to the provisions of this chapter, the rules adopted under this chapter, and other applicable law. In order to ensure that the safety of residents is not compromised by a change in provider, the new provider is responsible for correction of all violations that may exist at the time of the new license.

PART V DEPARTMENT DUTIES

NEW SECTION. Sec. 501. Subject to funding provided for this specific purpose, the department of social and health services shall use additional

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investigative resources to address a significant growth in the long-term care complaint workload. The department shall use the resulting licensor resources to meet current statutory requirements and timelines. "Complaints," as used in this section, include both complaints about provider practice, under chapters 70.128, 18.20, 18.51, and 74.42 RCW, and complaints about individuals alleged to have abused, neglected, abandoned, or exploited residents or clients, under chapter 74.34 RCW.

NEW SECTION. Sec. 502. (1) Subject to funding provided for this specific purpose, the department of social and health services shall develop for phased-in implementation a statewide internal quality review and accountability program for residential care services. The program must be designed to enable the department to improve the accountability of staff and the consistent application of investigative activities across all long-term care settings, and must allow the systematic monitoring and evaluation of long-term care licensing and certification. The program must be designed to improve and standardize investigative outcomes for the vulnerable individuals at risk of abuse and neglect, and coordinate outcomes across the department to prevent perpetrators from changing settings and continuing to work with vulnerable adults.

(2) The department shall convene a quality assurance panel to review problems in the quality of care in adult family homes and to reduce incidents of abuse, neglect, abandonment, and financial exploitation. The state's long-term care ombudsman shall chair the panel and identify appropriate stakeholders to participate. The panel must consider inspection, investigation, public complaint, and enforcement issues that relate to adult family homes. The panel must also focus on oversight issues to address de minimus violations, processes for handling unresolved citations, and better ways to oversee new providers. The panel shall meet at least quarterly, and provide a report with recommendations to the governor's office, the senate health and long-term care committee, and the house of representatives health and wellness committee by December 1, 2012.

**PART VI
MISCELLANEOUS**

NEW SECTION. Sec. 601. If specific funding for the purposes of implementing sections 501 and 502 of this act, referencing sections 501 and 502 of this act by bill or chapter or section number, is not provided by June 30, 2011, in the omnibus operating appropriations act, sections 501 and 502 of this act are null and void.

NEW SECTION. Sec. 602. Sections 501 and 502 of this act are each added to chapter 74.39A RCW.

NEW SECTION. Sec. 603. Sections 401 through 403 of this act are necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and take effect July 1, 2011.

Passed by the House May 2, 2011.

Passed by the Senate May 10, 2011.

Approved by the Governor May 31, 2011.
Filed in Office of Secretary of State June 1, 2011.

CHAPTER 4

[Engrossed Substitute House Bill 1354]

EDUCATIONAL SERVICE AND SCHOOL DISTRICTS—APPORTIONMENT SCHEDULE

AN ACT Relating to apportionments to educational service districts and school districts for the 2010-11 school year; amending RCW 28A.510.250; and declaring an emergency.

Be it enacted by the Legislature of the State of Washington:

Sec. 1. RCW 28A.510.250 and 1990 c 33 s 426 are each amended to read as follows:

(1) On or before the last business day of September 1969 and each month thereafter, the superintendent of public instruction shall apportion from the state general fund to the several educational service districts of the state the proportional share of the total annual amount due and apportionable to such educational service districts for the school districts thereof as follows:

September	9%
October	9%
November	5.5%
December	9%
January	9%
February	9%
March	9%
April	9%
May	5.5%
June	6.0%
July	10.0%
August	10.0%

The annual amount due and apportionable shall be the amount apportionable for all apportionment credits estimated to accrue to the schools during the apportionment year beginning September first and continuing through August thirty-first. Appropriations made for school districts for each year of a biennium shall be apportioned according to the schedule set forth in this section for the fiscal year starting September 1st of the then calendar year and ending August 31st of the next calendar year, except as provided in subsection (2) of this section. The apportionment from the state general fund for each month shall be an amount which will equal the amount due and apportionable to the several educational service districts during such month: PROVIDED, That any school district may petition the superintendent of public instruction for an emergency advance of funds which may become apportionable to it but not to exceed ten percent of the total amount to become due and apportionable during the school districts apportionment year. The superintendent of public instruction shall determine if the emergency warrants such advance and if the funds are available therefor. If the superintendent determines in the affirmative, he or she may approve such advance and, at the same time, add such an amount to the apportionment for the educational service district in which the school district is

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located: PROVIDED, That the emergency advance of funds and the interest earned by school districts on the investment of temporary cash surpluses resulting from obtaining such advance of state funds shall be deducted by the superintendent of public instruction from the remaining amount apportionable to said districts during that apportionment year in which the funds are advanced.

(2) In the 2010-11 school year, the June apportionment payment to school districts shall be reduced by one hundred twenty-eight million dollars, and an additional apportionment payment shall be made on July 1, 2011, in the amount of one hundred twenty-eight million dollars. This July 1st payment shall be in addition to the regularly calculated July apportionment payment.

NEW SECTION. Sec. 2. This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and takes effect immediately.

Passed by the House May 13, 2011.

Passed by the Senate May 20, 2011.

Approved by the Governor May 31, 2011.

Filed in Office of Secretary of State June 1, 2011.

CHAPTER 5

[House Bill 2070]

PENSIONS—GOVERNMENT EMPLOYEES—AVERAGE SALARY DETERMINATION

AN ACT Relating to determining average salary for the pension purposes of state and local government employees as certified by their employer; amending RCW 41.26.030, 41.35.010, and 43.43.120; reenacting and amending RCW 41.32.010, 41.37.010, and 41.40.010; providing an effective date; and declaring an emergency.

Be it enacted by the Legislature of the State of Washington:

Sec. 1. RCW 41.26.030 and 2010 2nd sp.s. c 1 s 903 are each amended to read as follows:

As used in this chapter, unless a different meaning is plainly required by the context:

(1) "Accumulated contributions" means the employee's contributions made by a member, including any amount paid under RCW 41.50.165(2), plus accrued interest credited thereon.

(2) "Actuarial reserve" means a method of financing a pension or retirement plan wherein reserves are accumulated as the liabilities for benefit payments are incurred in order that sufficient funds will be available on the date of retirement of each member to pay the member's future benefits during the period of retirement.

(3) "Actuarial valuation" means a mathematical determination of the financial condition of a retirement plan. It includes the computation of the present monetary value of benefits payable to present members, and the present monetary value of future employer and employee contributions, giving effect to mortality among active and retired members and also to the rates of disability, retirement, withdrawal from service, salary and interest earned on investments.

(4)(a) "Basic salary" for plan 1 members, means the basic monthly rate of salary or wages, including longevity pay but not including overtime earnings or special salary or wages, upon which pension or retirement benefits will be

computed and upon which employer contributions and salary deductions will be based.

(b) "Basic salary" for plan 2 members, means salaries or wages earned by a member during a payroll period for personal services, including overtime payments, and shall include wages and salaries deferred under provisions established pursuant to sections 403(b), 414(h), and 457 of the United States Internal Revenue Code, but shall exclude lump sum payments for deferred annual sick leave, unused accumulated vacation, unused accumulated annual leave, or any form of severance pay. In any year in which a member serves in the legislature the member shall have the option of having such member's basic salary be the greater of:

(i) The basic salary the member would have received had such member not served in the legislature; or

(ii) Such member's actual basic salary received for nonlegislative public employment and legislative service combined. Any additional contributions to the retirement system required because basic salary under (b)(i) of this subsection is greater than basic salary under (b)(ii) of this subsection shall be paid by the member for both member and employer contributions.

(5)(a) "Beneficiary" for plan 1 members, means any person in receipt of a retirement allowance, disability allowance, death benefit, or any other benefit described herein.

(b) "Beneficiary" for plan 2 members, means any person in receipt of a retirement allowance or other benefit provided by this chapter resulting from service rendered to an employer by another person.

(6)(a) "Child" or "children" means an unmarried person who is under the age of eighteen or mentally or physically disabled as determined by the department, except a person who is disabled and in the full time care of a state institution, who is:

(i) A natural born child;

(ii) A stepchild where that relationship was in existence prior to the date benefits are payable under this chapter;

(iii) A posthumous child;

(iv) A child legally adopted or made a legal ward of a member prior to the date benefits are payable under this chapter; or

(v) An illegitimate child legitimized prior to the date any benefits are payable under this chapter.

(b) A person shall also be deemed to be a child up to and including the age of twenty years and eleven months while attending any high school, college, or vocational or other educational institution accredited, licensed, or approved by the state, in which it is located, including the summer vacation months and all other normal and regular vacation periods at the particular educational institution after which the child returns to school.

(7) "Department" means the department of retirement systems created in chapter 41.50 RCW.

(8) "Director" means the director of the department.

(9) "Disability board" for plan 1 members means either the county disability board or the city disability board established in RCW 41.26.110.

(10) "Disability leave" means the period of six months or any portion thereof during which a member is on leave at an allowance equal to the

member's full salary prior to the commencement of disability retirement. The definition contained in this subsection shall apply only to plan 1 members.

(11) "Disability retirement" for plan 1 members, means the period following termination of a member's disability leave, during which the member is in receipt of a disability retirement allowance.

(12) "Domestic partners" means two adults who have registered as domestic partners under RCW 26.60.020.

(13) "Employee" means any law enforcement officer or firefighter as defined in subsections (16) and (18) of this section.

(14)(a) "Employer" for plan 1 members, means the legislative authority of any city, town, county, or district or the elected officials of any municipal corporation that employs any law enforcement officer and/or firefighter, any authorized association of such municipalities, and, except for the purposes of RCW 41.26.150, any labor guild, association, or organization, which represents the firefighters or law enforcement officers of at least seven cities of over 20,000 population and the membership of each local lodge or division of which is composed of at least sixty percent law enforcement officers or firefighters as defined in this chapter.

(b) "Employer" for plan 2 members, means the following entities to the extent that the entity employs any law enforcement officer and/or firefighter:

(i) The legislative authority of any city, town, county, or district;

(ii) The elected officials of any municipal corporation;

(iii) The governing body of any other general authority law enforcement agency; or

(iv) A four-year institution of higher education having a fully operational fire department as of January 1, 1996.

(15)(a) "Final average salary" for plan 1 members, means (i) for a member holding the same position or rank for a minimum of twelve months preceding the date of retirement, the basic salary attached to such same position or rank at time of retirement; (ii) for any other member, including a civil service member who has not served a minimum of twelve months in the same position or rank preceding the date of retirement, the average of the greatest basic salaries payable to such member during any consecutive twenty-four month period within such member's last ten years of service for which service credit is allowed, computed by dividing the total basic salaries payable to such member during the selected twenty-four month period by twenty-four; (iii) in the case of disability of any member, the basic salary payable to such member at the time of disability retirement; (iv) in the case of a member who hereafter vests pursuant to RCW 41.26.090, the basic salary payable to such member at the time of vesting.

(b) "Final average salary" for plan 2 members, means the monthly average of the member's basic salary for the highest consecutive sixty service credit months of service prior to such member's retirement, termination, or death. Periods constituting authorized unpaid leaves of absence may not be used in the calculation of final average salary.

(c) In calculating final average salary under (a) or (b) of this subsection, the department of retirement systems shall include:

(i) Any compensation forgone by a member employed by a state agency or institution during the 2009-2011 fiscal biennium as a result of reduced work

hours, mandatory or voluntary leave without pay, temporary reduction in pay implemented prior to December 11, 2010, or temporary layoffs if the reduced compensation is an integral part of the employer's expenditure reduction efforts, as certified by the employer; and

(ii) Any compensation forgone by a member employed by the state or a local government employer during the 2011-2013 fiscal biennium as a result of reduced work hours, mandatory leave without pay, temporary layoffs, or reductions to current pay if the reduced compensation is an integral part of the employer's expenditure reduction efforts, as certified by the employer. Reductions to current pay shall not include elimination of previously agreed upon future salary increases.

(16) "Firefighter" means:

(a) Any person who is serving on a full time, fully compensated basis as a member of a fire department of an employer and who is serving in a position which requires passing a civil service examination for firefighter, and who is actively employed as such;

(b) Anyone who is actively employed as a full time firefighter where the fire department does not have a civil service examination;

(c) Supervisory firefighter personnel;

(d) Any full time executive secretary of an association of fire protection districts authorized under RCW 52.12.031. The provisions of this subsection (16)(d) shall not apply to plan 2 members;

(e) The executive secretary of a labor guild, association or organization (which is an employer under subsection (14) of this section), if such individual has five years previous membership in a retirement system established in chapter 41.16 or 41.18 RCW. The provisions of this subsection (16)(e) shall not apply to plan 2 members;

(f) Any person who is serving on a full time, fully compensated basis for an employer, as a fire dispatcher, in a department in which, on March 1, 1970, a dispatcher was required to have passed a civil service examination for firefighter;

(g) Any person who on March 1, 1970, was employed on a full time, fully compensated basis by an employer, and who on May 21, 1971, was making retirement contributions under the provisions of chapter 41.16 or 41.18 RCW; and

(h) Any person who is employed on a full-time, fully compensated basis by an employer as an emergency medical technician.

(17) "General authority law enforcement agency" means any agency, department, or division of a municipal corporation, political subdivision, or other unit of local government of this state, and any agency, department, or division of state government, having as its primary function the detection and apprehension of persons committing infractions or violating the traffic or criminal laws in general, but not including the Washington state patrol. Such an agency, department, or division is distinguished from a limited authority law enforcement agency having as one of its functions the apprehension or detection of persons committing infractions or violating the traffic or criminal laws relating to limited subject areas, including but not limited to, the state departments of natural resources and social and health services, the state gambling commission, the state lottery commission, the state parks and

recreation commission, the state utilities and transportation commission, the state liquor control board, and the state department of corrections.

(18) "Law enforcement officer" beginning January 1, 1994, means any person who is commissioned and employed by an employer on a full time, fully compensated basis to enforce the criminal laws of the state of Washington generally, with the following qualifications:

(a) No person who is serving in a position that is basically clerical or secretarial in nature, and who is not commissioned shall be considered a law enforcement officer;

(b) Only those deputy sheriffs, including those serving under a different title pursuant to county charter, who have successfully completed a civil service examination for deputy sheriff or the equivalent position, where a different title is used, and those persons serving in unclassified positions authorized by RCW 41.14.070 except a private secretary will be considered law enforcement officers;

(c) Only such full time commissioned law enforcement personnel as have been appointed to offices, positions, or ranks in the police department which have been specifically created or otherwise expressly provided for and designated by city charter provision or by ordinance enacted by the legislative body of the city shall be considered city police officers;

(d) The term "law enforcement officer" also includes the executive secretary of a labor guild, association or organization (which is an employer under subsection (14) of this section) if that individual has five years previous membership in the retirement system established in chapter 41.20 RCW. The provisions of this subsection (18)(d) shall not apply to plan 2 members; and

(e) The term "law enforcement officer" also includes a person employed on or after January 1, 1993, as a public safety officer or director of public safety, so long as the job duties substantially involve only either police or fire duties, or both, and no other duties in a city or town with a population of less than ten thousand. The provisions of this subsection (18)(e) shall not apply to any public safety officer or director of public safety who is receiving a retirement allowance under this chapter as of May 12, 1993.

(19) "Medical services" for plan 1 members, shall include the following as minimum services to be provided. Reasonable charges for these services shall be paid in accordance with RCW 41.26.150.

(a) Hospital expenses: These are the charges made by a hospital, in its own behalf, for

(i) Board and room not to exceed semiprivate room rate unless private room is required by the attending physician due to the condition of the patient.

(ii) Necessary hospital services, other than board and room, furnished by the hospital.

(b) Other medical expenses: The following charges are considered "other medical expenses", provided that they have not been considered as "hospital expenses".

(i) The fees of the following:

(A) A physician or surgeon licensed under the provisions of chapter 18.71 RCW;

(B) An osteopathic physician and surgeon licensed under the provisions of chapter 18.57 RCW;

- (C) A chiropractor licensed under the provisions of chapter 18.25 RCW.
- (ii) The charges of a registered graduate nurse other than a nurse who ordinarily resides in the member's home, or is a member of the family of either the member or the member's spouse.
- (iii) The charges for the following medical services and supplies:
- (A) Drugs and medicines upon a physician's prescription;
 - (B) Diagnostic X-ray and laboratory examinations;
 - (C) X-ray, radium, and radioactive isotopes therapy;
 - (D) Anesthesia and oxygen;
 - (E) Rental of iron lung and other durable medical and surgical equipment;
 - (F) Artificial limbs and eyes, and casts, splints, and trusses;
 - (G) Professional ambulance service when used to transport the member to or from a hospital when injured by an accident or stricken by a disease;
 - (H) Dental charges incurred by a member who sustains an accidental injury to his or her teeth and who commences treatment by a legally licensed dentist within ninety days after the accident;
 - (I) Nursing home confinement or hospital extended care facility;
 - (J) Physical therapy by a registered physical therapist;
 - (K) Blood transfusions, including the cost of blood and blood plasma not replaced by voluntary donors;
 - (L) An optometrist licensed under the provisions of chapter 18.53 RCW.
- (20) "Member" means any firefighter, law enforcement officer, or other person as would apply under subsections (16) or (18) of this section whose membership is transferred to the Washington law enforcement officers' and firefighters' retirement system on or after March 1, 1970, and every law enforcement officer and firefighter who is employed in that capacity on or after such date.
- (21) "Plan 1" means the law enforcement officers' and firefighters' retirement system, plan 1 providing the benefits and funding provisions covering persons who first became members of the system prior to October 1, 1977.
- (22) "Plan 2" means the law enforcement officers' and firefighters' retirement system, plan 2 providing the benefits and funding provisions covering persons who first became members of the system on and after October 1, 1977.
- (23) "Position" means the employment held at any particular time, which may or may not be the same as civil service rank.
- (24) "Regular interest" means such rate as the director may determine.
- (25) "Retiree" for persons who establish membership in the retirement system on or after October 1, 1977, means any member in receipt of a retirement allowance or other benefit provided by this chapter resulting from service rendered to an employer by such member.
- (26) "Retirement fund" means the "Washington law enforcement officers' and firefighters' retirement system fund" as provided for herein.
- (27) "Retirement system" means the "Washington law enforcement officers' and firefighters' retirement system" provided herein.
- (28)(a) "Service" for plan 1 members, means all periods of employment for an employer as a firefighter or law enforcement officer, for which compensation is paid, together with periods of suspension not exceeding thirty days in duration. For the purposes of this chapter service shall also include service in the armed forces of the United States as provided in RCW 41.26.190. Credit

shall be allowed for all service credit months of service rendered by a member from and after the member's initial commencement of employment as a firefighter or law enforcement officer, during which the member worked for seventy or more hours, or was on disability leave or disability retirement. Only service credit months of service shall be counted in the computation of any retirement allowance or other benefit provided for in this chapter.

(i) For members retiring after May 21, 1971 who were employed under the coverage of a prior pension act before March 1, 1970, "service" shall also include (A) such military service not exceeding five years as was creditable to the member as of March 1, 1970, under the member's particular prior pension act, and (B) such other periods of service as were then creditable to a particular member under the provisions of RCW 41.18.165, 41.20.160, or 41.20.170. However, in no event shall credit be allowed for any service rendered prior to March 1, 1970, where the member at the time of rendition of such service was employed in a position covered by a prior pension act, unless such service, at the time credit is claimed therefor, is also creditable under the provisions of such prior act.

(ii) A member who is employed by two employers at the same time shall only be credited with service to one such employer for any month during which the member rendered such dual service.

(b) "Service" for plan 2 members, means periods of employment by a member for one or more employers for which basic salary is earned for ninety or more hours per calendar month which shall constitute a service credit month. Periods of employment by a member for one or more employers for which basic salary is earned for at least seventy hours but less than ninety hours per calendar month shall constitute one-half service credit month. Periods of employment by a member for one or more employers for which basic salary is earned for less than seventy hours shall constitute a one-quarter service credit month.

Members of the retirement system who are elected or appointed to a state elective position may elect to continue to be members of this retirement system.

Service credit years of service shall be determined by dividing the total number of service credit months of service by twelve. Any fraction of a service credit year of service as so determined shall be taken into account in the computation of such retirement allowance or benefits.

If a member receives basic salary from two or more employers during any calendar month, the individual shall receive one service credit month's service credit during any calendar month in which multiple service for ninety or more hours is rendered; or one-half service credit month's service credit during any calendar month in which multiple service for at least seventy hours but less than ninety hours is rendered; or one-quarter service credit month during any calendar month in which multiple service for less than seventy hours is rendered.

(29) "Service credit month" means a full service credit month or an accumulation of partial service credit months that are equal to one.

(30) "Service credit year" means an accumulation of months of service credit which is equal to one when divided by twelve.

(31) "State actuary" or "actuary" means the person appointed pursuant to RCW 44.44.010(2).

(32) "State elective position" means any position held by any person elected or appointed to statewide office or elected or appointed as a member of the legislature.

(33) "Surviving spouse" means the surviving widow or widower of a member. "Surviving spouse" shall not include the divorced spouse of a member except as provided in RCW 41.26.162.

Sec. 2. RCW 41.32.010 and 2010 2nd sp.s. c 1 s 904 are each reenacted and amended to read as follows:

As used in this chapter, unless a different meaning is plainly required by the context:

(1)(a) "Accumulated contributions" for plan 1 members, means the sum of all regular annuity contributions and, except for the purpose of withdrawal at the time of retirement, any amount paid under RCW 41.50.165(2) with regular interest thereon.

(b) "Accumulated contributions" for plan 2 members, means the sum of all contributions standing to the credit of a member in the member's individual account, including any amount paid under RCW 41.50.165(2), together with the regular interest thereon.

(2) "Actuarial equivalent" means a benefit of equal value when computed upon the basis of such mortality tables and regulations as shall be adopted by the director and regular interest.

(3) "Adjustment ratio" means the value of index A divided by index B.

(4) "Annual increase" means, initially, fifty-nine cents per month per year of service which amount shall be increased each July 1st by three percent, rounded to the nearest cent.

(5) "Annuity" means the moneys payable per year during life by reason of accumulated contributions of a member.

(6) "Average final compensation" for plan 2 and plan 3 members, means the member's average earnable compensation of the highest consecutive sixty service credit months prior to such member's retirement, termination, or death. Periods constituting authorized leaves of absence may not be used in the calculation of average final compensation except under RCW 41.32.810(2).

(7)(a) "Beneficiary" for plan 1 members, means any person in receipt of a retirement allowance or other benefit provided by this chapter.

(b) "Beneficiary" for plan 2 and plan 3 members, means any person in receipt of a retirement allowance or other benefit provided by this chapter resulting from service rendered to an employer by another person.

(8) "Contract" means any agreement for service and compensation between a member and an employer.

(9) "Creditable service" means membership service plus prior service for which credit is allowable. This subsection shall apply only to plan 1 members.

(10) "Department" means the department of retirement systems created in chapter 41.50 RCW.

(11) "Dependent" means receiving one-half or more of support from a member.

(12) "Director" means the director of the department.

(13) "Disability allowance" means monthly payments during disability. This subsection shall apply only to plan 1 members.

(14)(a) "Earnable compensation" for plan 1 members, means:

(i) All salaries and wages paid by an employer to an employee member of the retirement system for personal services rendered during a fiscal year. In all cases where compensation includes maintenance the employer shall fix the value of that part of the compensation not paid in money.

(ii) For an employee member of the retirement system teaching in an extended school year program, two consecutive extended school years, as defined by the employer school district, may be used as the annual period for determining earnable compensation in lieu of the two fiscal years.

(iii) "Earnable compensation" for plan 1 members also includes the following actual or imputed payments, which are not paid for personal services:

(A) Retroactive payments to an individual by an employer on reinstatement of the employee in a position, or payments by an employer to an individual in lieu of reinstatement in a position which are awarded or granted as the equivalent of the salary or wages which the individual would have earned during a payroll period shall be considered earnable compensation and the individual shall receive the equivalent service credit.

(B) If a leave of absence, without pay, is taken by a member for the purpose of serving as a member of the state legislature, and such member has served in the legislature five or more years, the salary which would have been received for the position from which the leave of absence was taken shall be considered as compensation earnable if the employee's contribution thereon is paid by the employee. In addition, where a member has been a member of the state legislature for five or more years, earnable compensation for the member's two highest compensated consecutive years of service shall include a sum not to exceed thirty-six hundred dollars for each of such two consecutive years, regardless of whether or not legislative service was rendered during those two years.

(iv) For members employed less than full time under written contract with a school district, or community college district, in an instructional position, for which the member receives service credit of less than one year in all of the years used to determine the earnable compensation used for computing benefits due under RCW 41.32.497, 41.32.498, and 41.32.520, the member may elect to have earnable compensation defined as provided in RCW 41.32.345. For the purposes of this subsection, the term "instructional position" means a position in which more than seventy-five percent of the member's time is spent as a classroom instructor (including office hours), a librarian, a psychologist, a social worker, a nurse, a physical therapist, an occupational therapist, a speech language pathologist or audiologist, or a counselor. Earnable compensation shall be so defined only for the purpose of the calculation of retirement benefits and only as necessary to insure that members who receive fractional service credit under RCW 41.32.270 receive benefits proportional to those received by members who have received full-time service credit.

(v) "Earnable compensation" does not include:

(A) Remuneration for unused sick leave authorized under RCW 41.04.340, 28A.400.210, or 28A.310.490;

(B) Remuneration for unused annual leave in excess of thirty days as authorized by RCW 43.01.044 and 43.01.041.

(b) "Earnable compensation" for plan 2 and plan 3 members, means salaries or wages earned by a member during a payroll period for personal services,

including overtime payments, and shall include wages and salaries deferred under provisions established pursuant to sections 403(b), 414(h), and 457 of the United States Internal Revenue Code, but shall exclude lump sum payments for deferred annual sick leave, unused accumulated vacation, unused accumulated annual leave, or any form of severance pay.

"Earnable compensation" for plan 2 and plan 3 members also includes the following actual or imputed payments which, except in the case of (b)(ii)(B) of this subsection, are not paid for personal services:

(i) Retroactive payments to an individual by an employer on reinstatement of the employee in a position or payments by an employer to an individual in lieu of reinstatement in a position which are awarded or granted as the equivalent of the salary or wages which the individual would have earned during a payroll period shall be considered earnable compensation, to the extent provided above, and the individual shall receive the equivalent service credit.

(ii) In any year in which a member serves in the legislature the member shall have the option of having such member's earnable compensation be the greater of:

(A) The earnable compensation the member would have received had such member not served in the legislature; or

(B) Such member's actual earnable compensation received for teaching and legislative service combined. Any additional contributions to the retirement system required because compensation earnable under (b)(ii)(A) of this subsection is greater than compensation earnable under (b)(ii)(B) of this subsection shall be paid by the member for both member and employer contributions.

(c) In calculating earnable compensation under (a) or (b) of this subsection, the department of retirement systems shall include:

(i) Any compensation forgone by a member employed by a state agency or institution during the 2009-2011 fiscal biennium as a result of reduced work hours, mandatory or voluntary leave without pay, temporary reduction in pay implemented prior to December 11, 2010, or temporary layoffs if the reduced compensation is an integral part of the employer's expenditure reduction efforts, as certified by the employer; and

(ii) Any compensation forgone by a member during the 2011-2013 fiscal biennium as a result of reduced work hours, mandatory leave without pay, temporary layoffs, or reductions to current pay if the reduced compensation is an integral part of the employer's expenditure reduction efforts, as certified by the employer. Reductions to current pay shall not include elimination of previously agreed upon future salary reductions.

(15)(a) "Eligible position" for plan 2 members from June 7, 1990, through September 1, 1991, means a position which normally requires two or more uninterrupted months of creditable service during September through August of the following year.

(b) "Eligible position" for plan 2 and plan 3 on and after September 1, 1991, means a position that, as defined by the employer, normally requires five or more months of at least seventy hours of earnable compensation during September through August of the following year.

(c) For purposes of this chapter an employer shall not define "position" in such a manner that an employee's monthly work for that employer is divided into more than one position.

(d) The elected position of the superintendent of public instruction is an eligible position.

(16) "Employed" or "employee" means a person who is providing services for compensation to an employer, unless the person is free from the employer's direction and control over the performance of work. The department shall adopt rules and interpret this subsection consistent with common law.

(17) "Employer" means the state of Washington, the school district, or any agency of the state of Washington by which the member is paid.

(18) "Fiscal year" means a year which begins July 1st and ends June 30th of the following year.

(19) "Former state fund" means the state retirement fund in operation for teachers under chapter 187, Laws of 1923, as amended.

(20) "Index" means, for any calendar year, that year's annual average consumer price index, Seattle, Washington area, for urban wage earners and clerical workers, all items compiled by the bureau of labor statistics, United States department of labor.

(21) "Index A" means the index for the year prior to the determination of a postretirement adjustment.

(22) "Index B" means the index for the year prior to index A.

(23) "Index year" means the earliest calendar year in which the index is more than sixty percent of index A.

(24) "Local fund" means any of the local retirement funds for teachers operated in any school district in accordance with the provisions of chapter 163, Laws of 1917 as amended.

(25) "Member" means any teacher included in the membership of the retirement system who has not been removed from membership under RCW 41.32.878 or 41.32.768. Also, any other employee of the public schools who, on July 1, 1947, had not elected to be exempt from membership and who, prior to that date, had by an authorized payroll deduction, contributed to the member reserve.

(26) "Member account" or "member's account" for purposes of plan 3 means the sum of the contributions and earnings on behalf of the member in the defined contribution portion of plan 3.

(27) "Member reserve" means the fund in which all of the accumulated contributions of members are held.

(28) "Membership service" means service rendered subsequent to the first day of eligibility of a person to membership in the retirement system: PROVIDED, That where a member is employed by two or more employers the individual shall receive no more than one service credit month during any calendar month in which multiple service is rendered. The provisions of this subsection shall apply only to plan 1 members.

(29) "Pension" means the moneys payable per year during life from the pension reserve.

(30) "Pension reserve" is a fund in which shall be accumulated an actuarial reserve adequate to meet present and future pension liabilities of the system and from which all pension obligations are to be paid.

(31) "Plan 1" means the teachers' retirement system, plan 1 providing the benefits and funding provisions covering persons who first became members of the system prior to October 1, 1977.

(32) "Plan 2" means the teachers' retirement system, plan 2 providing the benefits and funding provisions covering persons who first became members of the system on and after October 1, 1977, and prior to July 1, 1996.

(33) "Plan 3" means the teachers' retirement system, plan 3 providing the benefits and funding provisions covering persons who first become members of the system on and after July 1, 1996, or who transfer under RCW 41.32.817.

(34) "Prior service" means service rendered prior to the first date of eligibility to membership in the retirement system for which credit is allowable. The provisions of this subsection shall apply only to plan 1 members.

(35) "Prior service contributions" means contributions made by a member to secure credit for prior service. The provisions of this subsection shall apply only to plan 1 members.

(36) "Public school" means any institution or activity operated by the state of Washington or any instrumentality or political subdivision thereof employing teachers, except the University of Washington and Washington State University.

(37) "Regular contributions" means the amounts required to be deducted from the compensation of a member and credited to the member's individual account in the member reserve. This subsection shall apply only to plan 1 members.

(38) "Regular interest" means such rate as the director may determine.

(39) "Retiree" means any person who has begun accruing a retirement allowance or other benefit provided by this chapter resulting from service rendered to an employer while a member.

(40)(a) "Retirement allowance" for plan 1 members, means monthly payments based on the sum of annuity and pension, or any optional benefits payable in lieu thereof.

(b) "Retirement allowance" for plan 2 and plan 3 members, means monthly payments to a retiree or beneficiary as provided in this chapter.

(41) "Retirement system" means the Washington state teachers' retirement system.

(42) "Separation from service or employment" occurs when a person has terminated all employment with an employer. Separation from service or employment does not occur, and if claimed by an employer or employee may be a violation of RCW 41.32.055, when an employee and employer have a written or oral agreement to resume employment with the same employer following termination. Mere expressions or inquiries about postretirement employment by an employer or employee that do not constitute a commitment to reemploy the employee after retirement are not an agreement under this section.

(43)(a) "Service" for plan 1 members means the time during which a member has been employed by an employer for compensation.

(i) If a member is employed by two or more employers the individual shall receive no more than one service credit month during any calendar month in which multiple service is rendered.

(ii) As authorized by RCW 28A.400.300, up to forty-five days of sick leave may be creditable as service solely for the purpose of determining eligibility to retire under RCW 41.32.470.

(iii) As authorized in RCW 41.32.065, service earned in an out-of-state retirement system that covers teachers in public schools may be applied solely for the purpose of determining eligibility to retire under RCW 41.32.470.

(b) "Service" for plan 2 and plan 3 members, means periods of employment by a member for one or more employers for which earnable compensation is earned subject to the following conditions:

(i) A member employed in an eligible position or as a substitute shall receive one service credit month for each month of September through August of the following year if he or she earns earnable compensation for eight hundred ten or more hours during that period and is employed during nine of those months, except that a member may not receive credit for any period prior to the member's employment in an eligible position except as provided in RCW 41.32.812 and 41.50.132.

(ii) Any other member employed in an eligible position or as a substitute who earns earnable compensation during the period from September through August shall receive service credit according to one of the following methods, whichever provides the most service credit to the member:

(A) If a member is employed either in an eligible position or as a substitute teacher for nine months of the twelve month period between September through August of the following year but earns earnable compensation for less than eight hundred ten hours but for at least six hundred thirty hours, he or she will receive one-half of a service credit month for each month of the twelve month period;

(B) If a member is employed in an eligible position or as a substitute teacher for at least five months of a six-month period between September through August of the following year and earns earnable compensation for six hundred thirty or more hours within the six-month period, he or she will receive a maximum of six service credit months for the school year, which shall be recorded as one service credit month for each month of the six-month period;

(C) All other members employed in an eligible position or as a substitute teacher shall receive service credit as follows:

(I) A service credit month is earned in those calendar months where earnable compensation is earned for ninety or more hours;

(II) A half-service credit month is earned in those calendar months where earnable compensation is earned for at least seventy hours but less than ninety hours; and

(III) A quarter-service credit month is earned in those calendar months where earnable compensation is earned for less than seventy hours.

(iii) Any person who is a member of the teachers' retirement system and who is elected or appointed to a state elective position may continue to be a member of the retirement system and continue to receive a service credit month for each of the months in a state elective position by making the required member contributions.

(iv) When an individual is employed by two or more employers the individual shall only receive one month's service credit during any calendar month in which multiple service for ninety or more hours is rendered.

(v) As authorized by RCW 28A.400.300, up to forty-five days of sick leave may be creditable as service solely for the purpose of determining eligibility to retire under RCW 41.32.470. For purposes of plan 2 and plan 3 "forty-five days" as used in RCW 28A.400.300 is equal to two service credit months. Use

of less than forty-five days of sick leave is creditable as allowed under this subsection as follows:

- (A) Less than eleven days equals one-quarter service credit month;
- (B) Eleven or more days but less than twenty-two days equals one-half service credit month;
- (C) Twenty-two days equals one service credit month;
- (D) More than twenty-two days but less than thirty-three days equals one and one-quarter service credit month;
- (E) Thirty-three or more days but less than forty-five days equals one and one-half service credit month.
- (vi) As authorized in RCW 41.32.065, service earned in an out-of-state retirement system that covers teachers in public schools may be applied solely for the purpose of determining eligibility to retire under RCW 41.32.470.
- (vii) The department shall adopt rules implementing this subsection.
- (44) "Service credit month" means a full service credit month or an accumulation of partial service credit months that are equal to one.
- (45) "Service credit year" means an accumulation of months of service credit which is equal to one when divided by twelve.
- (46) "State actuary" or "actuary" means the person appointed pursuant to RCW 44.44.010(2).
- (47) "State elective position" means any position held by any person elected or appointed to statewide office or elected or appointed as a member of the legislature.
- (48) "Substitute teacher" means:
 - (a) A teacher who is hired by an employer to work as a temporary teacher, except for teachers who are annual contract employees of an employer and are guaranteed a minimum number of hours; or
 - (b) Teachers who either (i) work in ineligible positions for more than one employer or (ii) work in an ineligible position or positions together with an eligible position.
- (49) "Teacher" means any person qualified to teach who is engaged by a public school in an instructional, administrative, or supervisory capacity. The term includes state, educational service district, and school district superintendents and their assistants and all employees certificated by the superintendent of public instruction; and in addition thereto any full time school doctor who is employed by a public school and renders service of an instructional or educational nature.

Sec. 3. RCW 41.35.010 and 2003 c 157 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) "Retirement system" means the Washington school employees' retirement system provided for in this chapter.
- (2) "Department" means the department of retirement systems created in chapter 41.50 RCW.
- (3) "State treasurer" means the treasurer of the state of Washington.
- (4) "Employer," for plan 2 and plan 3 members, means a school district or an educational service district.

(5) "Member" means any employee included in the membership of the retirement system, as provided for in RCW 41.35.030.

(6)(a) "Compensation earnable" for plan 2 and plan 3 members, means salaries or wages earned by a member during a payroll period for personal services, including overtime payments, and shall include wages and salaries deferred under provisions established pursuant to sections 403(b), 414(h), and 457 of the United States internal revenue code, but shall exclude nonmoney maintenance compensation and lump sum or other payments for deferred annual sick leave, unused accumulated vacation, unused accumulated annual leave, or any form of severance pay.

(b) "Compensation earnable" for plan 2 and plan 3 members also includes the following actual or imputed payments, which are not paid for personal services:

(i) Retroactive payments to an individual by an employer on reinstatement of the employee in a position, or payments by an employer to an individual in lieu of reinstatement, which are awarded or granted as the equivalent of the salary or wage which the individual would have earned during a payroll period shall be considered compensation earnable to the extent provided in this subsection, and the individual shall receive the equivalent service credit;

(ii) In any year in which a member serves in the legislature, the member shall have the option of having such member's compensation earnable be the greater of:

(A) The compensation earnable the member would have received had such member not served in the legislature; or

(B) Such member's actual compensation earnable received for nonlegislative public employment and legislative service combined. Any additional contributions to the retirement system required because compensation earnable under (b)(ii)(A) of this subsection is greater than compensation earnable under this (b)(ii)(B) of this subsection shall be paid by the member for both member and employer contributions;

(iii) Assault pay only as authorized by RCW 27.04.100, 72.01.045, and 72.09.240;

(iv) Compensation that a member would have received but for a disability occurring in the line of duty only as authorized by RCW 41.40.038;

(v) Compensation that a member receives due to participation in the leave sharing program only as authorized by RCW 41.04.650 through 41.04.670; and

(vi) Compensation that a member receives for being in standby status. For the purposes of this section, a member is in standby status when not being paid for time actually worked and the employer requires the member to be prepared to report immediately for work, if the need arises, although the need may not arise.

(7) "Service" for plan 2 and plan 3 members means periods of employment by a member in an eligible position or positions for one or more employers for which compensation earnable is paid. Compensation earnable earned for ninety or more hours in any calendar month shall constitute one service credit month except as provided in RCW 41.35.180. Compensation earnable earned for at least seventy hours but less than ninety hours in any calendar month shall constitute one-half service credit month of service. Compensation earnable earned for less than seventy hours in any calendar month shall constitute one-

quarter service credit month of service. Time spent in standby status, whether compensated or not, is not service.

Any fraction of a year of service shall be taken into account in the computation of such retirement allowance or benefits.

(a) Service in any state elective position shall be deemed to be full-time service.

(b) A member shall receive a total of not more than twelve service credit months of service for such calendar year. If an individual is employed in an eligible position by one or more employers the individual shall receive no more than one service credit month during any calendar month in which multiple service for ninety or more hours is rendered.

(c) For purposes of plan 2 and 3 "forty-five days" as used in RCW 28A.400.300 is equal to two service credit months. Use of less than forty-five days of sick leave is creditable as allowed under this subsection as follows:

(i) Less than eleven days equals one-quarter service credit month;

(ii) Eleven or more days but less than twenty-two days equals one-half service credit month;

(iii) Twenty-two days equals one service credit month;

(iv) More than twenty-two days but less than thirty-three days equals one and one-quarter service credit month; and

(v) Thirty-three or more days but less than forty-five days equals one and one-half service credit month.

(8) "Service credit year" means an accumulation of months of service credit which is equal to one when divided by twelve.

(9) "Service credit month" means a month or an accumulation of months of service credit which is equal to one.

(10) "Membership service" means all service rendered as a member.

(11) "Beneficiary" for plan 2 and plan 3 members means any person in receipt of a retirement allowance or other benefit provided by this chapter resulting from service rendered to an employer by another person.

(12) "Regular interest" means such rate as the director may determine.

(13) "Accumulated contributions" means the sum of all contributions standing to the credit of a member in the member's individual account, including any amount paid under RCW 41.50.165(2), together with the regular interest thereon.

(14)(a) "Average final compensation" for plan 2 and plan 3 members means the member's average compensation earnable of the highest consecutive sixty months of service credit months prior to such member's retirement, termination, or death. Periods constituting authorized leaves of absence may not be used in the calculation of average final compensation except under RCW 41.40.710(2).

(b) In calculating average final compensation under (a) of this subsection, the department of retirement systems shall include any compensation forgone by a member during the 2011-2013 fiscal biennium as a result of reduced work hours, mandatory leave without pay, temporary layoffs, or reductions to current pay if the reduced compensation is an integral part of the employer's expenditure reduction efforts, as certified by the employer. Reductions to current pay shall not include elimination of previously agreed upon future salary reductions.

(15) "Final compensation" means the annual rate of compensation earnable by a member at the time of termination of employment.

(16) "Annuity" means payments for life derived from accumulated contributions of a member. All annuities shall be paid in monthly installments.

(17) "Pension" means payments for life derived from contributions made by the employer. All pensions shall be paid in monthly installments.

(18) "Retirement allowance" for plan 2 and plan 3 members means monthly payments to a retiree or beneficiary as provided in this chapter.

(19) "Employee" or "employed" means a person who is providing services for compensation to an employer, unless the person is free from the employer's direction and control over the performance of work. The department shall adopt rules and interpret this subsection consistent with common law.

(20) "Actuarial equivalent" means a benefit of equal value when computed upon the basis of such mortality and other tables as may be adopted by the director.

(21) "Retirement" means withdrawal from active service with a retirement allowance as provided by this chapter.

(22) "Eligible position" means any position that, as defined by the employer, normally requires five or more months of service a year for which regular compensation for at least seventy hours is earned by the occupant thereof. For purposes of this chapter an employer shall not define "position" in such a manner that an employee's monthly work for that employer is divided into more than one position.

(23) "Ineligible position" means any position which does not conform with the requirements set forth in subsection (22) of this section.

(24) "Leave of absence" means the period of time a member is authorized by the employer to be absent from service without being separated from membership.

(25) "Retiree" means any person who has begun accruing a retirement allowance or other benefit provided by this chapter resulting from service rendered to an employer while a member.

(26) "Director" means the director of the department.

(27) "State elective position" means any position held by any person elected or appointed to statewide office or elected or appointed as a member of the legislature.

(28) "State actuary" or "actuary" means the person appointed pursuant to RCW 44.44.010(2).

(29) "Plan 2" means the Washington school employees' retirement system plan 2 providing the benefits and funding provisions covering persons who first became members of the public employees' retirement system on and after October 1, 1977, and transferred to the Washington school employees' retirement system under RCW 41.40.750.

(30) "Plan 3" means the Washington school employees' retirement system plan 3 providing the benefits and funding provisions covering persons who first became members of the system on and after September 1, 2000, or who transfer from plan 2 under RCW 41.35.510.

(31) "Index" means, for any calendar year, that year's annual average consumer price index, Seattle, Washington area, for urban wage earners and clerical workers, all items, compiled by the bureau of labor statistics, United States department of labor.

(32) "Index A" means the index for the year prior to the determination of a postretirement adjustment.

(33) "Index B" means the index for the year prior to index A.

(34) "Adjustment ratio" means the value of index A divided by index B.

(35) "Separation from service" occurs when a person has terminated all employment with an employer.

(36) "Member account" or "member's account" for purposes of plan 3 means the sum of the contributions and earnings on behalf of the member in the defined contribution portion of plan 3.

(37) "Classified employee" means an employee of a school district or an educational service district who is not eligible for membership in the teachers' retirement system established under chapter 41.32 RCW.

(38) "Substitute employee" means a classified employee who is employed by an employer exclusively as a substitute for an absent employee.

Sec. 4. RCW 41.37.010 and 2010 2nd sp.s. c 1 s 905 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) "Accumulated contributions" means the sum of all contributions standing to the credit of a member in the member's individual account, including any amount paid under RCW 41.50.165(2), together with the regular interest thereon.

(2) "Actuarial equivalent" means a benefit of equal value when computed upon the basis of such mortality and other tables as may be adopted by the director.

(3) "Adjustment ratio" means the value of index A divided by index B.

(4) "Annuity" means payments for life derived from accumulated contributions of a member. All annuities shall be paid in monthly installments.

(5)(a) "Average final compensation" means the member's average compensation earnable of the highest consecutive sixty months of service credit months prior to such member's retirement, termination, or death. Periods constituting authorized leaves of absence may not be used in the calculation of average final compensation except under RCW 41.37.290.

(b) In calculating average final compensation under (a) of this subsection, the department of retirement systems shall include:

(i) Any compensation forgone by a member employed by a state agency or institution during the 2009-2011 fiscal biennium as a result of reduced work hours, mandatory or voluntary leave without pay, temporary reduction in pay implemented prior to December 11, 2010, or temporary layoffs if the reduced compensation is an integral part of the employer's expenditure reduction efforts, as certified by the employer; and

(ii) Any compensation forgone by a member employed by the state or a local government employer during the 2011-2013 fiscal biennium as a result of reduced work hours, mandatory leave without pay, temporary layoffs, or reductions to current pay if the reduced compensation is an integral part of the employer's expenditure reduction efforts, as certified by the employer. Reductions to current pay shall not include elimination of previously agreed upon future salary increases.

(6) "Beneficiary" means any person in receipt of a retirement allowance or other benefit provided by this chapter resulting from service rendered to an employer by another person.

(7)(a) "Compensation earnable" for members, means salaries or wages earned by a member during a payroll period for personal services, including overtime payments, and shall include wages and salaries deferred under provisions established pursuant to sections 403(b), 414(h), and 457 of the United States internal revenue code, but shall exclude nonmoney maintenance compensation and lump sum or other payments for deferred annual sick leave, unused accumulated vacation, unused accumulated annual leave, or any form of severance pay.

(b) "Compensation earnable" for members also includes the following actual or imputed payments, which are not paid for personal services:

(i) Retroactive payments to an individual by an employer on reinstatement of the employee in a position, or payments by an employer to an individual in lieu of reinstatement, which are awarded or granted as the equivalent of the salary or wage which the individual would have earned during a payroll period shall be considered compensation earnable to the extent provided in this subsection, and the individual shall receive the equivalent service credit;

(ii) In any year in which a member serves in the legislature, the member shall have the option of having such member's compensation earnable be the greater of:

(A) The compensation earnable the member would have received had such member not served in the legislature; or

(B) Such member's actual compensation earnable received for nonlegislative public employment and legislative service combined. Any additional contributions to the retirement system required because compensation earnable under (b)(ii)(A) of this subsection is greater than compensation earnable under (b)(ii)(B) of this subsection shall be paid by the member for both member and employer contributions;

(iii) Assault pay only as authorized by RCW 27.04.100, 72.01.045, and 72.09.240;

(iv) Compensation that a member would have received but for a disability occurring in the line of duty only as authorized by RCW 41.37.060;

(v) Compensation that a member receives due to participation in the leave sharing program only as authorized by RCW 41.04.650 through 41.04.670; and

(vi) Compensation that a member receives for being in standby status. For the purposes of this section, a member is in standby status when not being paid for time actually worked and the employer requires the member to be prepared to report immediately for work, if the need arises, although the need may not arise.

(8) "Department" means the department of retirement systems created in chapter 41.50 RCW.

(9) "Director" means the director of the department.

(10) "Eligible position" means any permanent, full-time position included in subsection (19) of this section.

(11) "Employee" or "employed" means a person who is providing services for compensation to an employer, unless the person is free from the employer's

direction and control over the performance of work. The department shall adopt rules and interpret this subsection consistent with common law.

(12) "Employer" means the Washington state department of corrections, the Washington state parks and recreation commission, the Washington state gambling commission, the Washington state patrol, the Washington state department of natural resources, and the Washington state liquor control board; any county corrections department; or any city corrections department not covered under chapter 41.28 RCW.

(13) "Final compensation" means the annual rate of compensation earnable by a member at the time of termination of employment.

(14) "Index" means, for any calendar year, that year's annual average consumer price index, Seattle, Washington area, for urban wage earners and clerical workers, all items, compiled by the bureau of labor statistics, United States department of labor.

(15) "Index A" means the index for the year prior to the determination of a postretirement adjustment.

(16) "Index B" means the index for the year prior to index A.

(17) "Ineligible position" means any position which does not conform with the requirements set forth in subsection (10) of this section.

(18) "Leave of absence" means the period of time a member is authorized by the employer to be absent from service without being separated from membership.

(19) "Member" means any employee employed by an employer on a full-time basis:

(a) Who is in a position that requires completion of a certified criminal justice training course and is authorized by their employer to arrest, conduct criminal investigations, enforce the criminal laws of the state of Washington, and carry a firearm as part of the job;

(b) Whose primary responsibility is to ensure the custody and security of incarcerated or probationary individuals as a corrections officer, probation officer, or jailer;

(c) Who is a limited authority Washington peace officer, as defined in RCW 10.93.020, for an employer; or

(d) Whose primary responsibility is to supervise members eligible under this subsection.

(20) "Membership service" means all service rendered as a member.

(21) "Pension" means payments for life derived from contributions made by the employer. All pensions shall be paid in monthly installments.

(22) "Plan" means the Washington public safety employees' retirement system plan 2.

(23) "Regular interest" means such rate as the director may determine.

(24) "Retiree" means any person who has begun accruing a retirement allowance or other benefit provided by this chapter resulting from service rendered to an employer while a member.

(25) "Retirement" means withdrawal from active service with a retirement allowance as provided by this chapter.

(26) "Retirement allowance" means monthly payments to a retiree or beneficiary as provided in this chapter.

(27) "Retirement system" means the Washington public safety employees' retirement system provided for in this chapter.

(28) "Separation from service" occurs when a person has terminated all employment with an employer.

(29) "Service" means periods of employment by a member on or after July 1, 2006, for one or more employers for which compensation earnable is paid. Compensation earnable earned for ninety or more hours in any calendar month shall constitute one service credit month. Compensation earnable earned for at least seventy hours but less than ninety hours in any calendar month shall constitute one-half service credit month of service. Compensation earnable earned for less than seventy hours in any calendar month shall constitute one-quarter service credit month of service. Time spent in standby status, whether compensated or not, is not service.

Any fraction of a year of service shall be taken into account in the computation of such retirement allowance or benefits.

(a) Service in any state elective position shall be deemed to be full-time service.

(b) A member shall receive a total of not more than twelve service credit months of service for such calendar year. If an individual is employed in an eligible position by one or more employers the individual shall receive no more than one service credit month during any calendar month in which multiple service for ninety or more hours is rendered.

(30) "Service credit month" means a month or an accumulation of months of service credit which is equal to one.

(31) "Service credit year" means an accumulation of months of service credit which is equal to one when divided by twelve.

(32) "State actuary" or "actuary" means the person appointed pursuant to RCW 44.44.010(2).

(33) "State elective position" means any position held by any person elected or appointed to statewide office or elected or appointed as a member of the legislature.

(34) "State treasurer" means the treasurer of the state of Washington.

Sec. 5. RCW 41.40.010 and 2010 2nd sp.s. c 1 s 906 are each reenacted and amended to read as follows:

As used in this chapter, unless a different meaning is plainly required by the context:

(1) "Accumulated contributions" means the sum of all contributions standing to the credit of a member in the member's individual account, including any amount paid under RCW 41.50.165(2), together with the regular interest thereon.

(2) "Actuarial equivalent" means a benefit of equal value when computed upon the basis of such mortality and other tables as may be adopted by the director.

(3) "Adjustment ratio" means the value of index A divided by index B.

(4) "Annual increase" means, initially, fifty-nine cents per month per year of service which amount shall be increased each July 1st by three percent, rounded to the nearest cent.

(5) "Annuity" means payments for life derived from accumulated contributions of a member. All annuities shall be paid in monthly installments.

(6)(a) "Average final compensation" for plan 1 members, means the annual average of the greatest compensation earnable by a member during any consecutive two year period of service credit months for which service credit is allowed; or if the member has less than two years of service credit months then the annual average compensation earnable during the total years of service for which service credit is allowed.

(b) "Average final compensation" for plan 2 and plan 3 members, means the member's average compensation earnable of the highest consecutive sixty months of service credit months prior to such member's retirement, termination, or death. Periods constituting authorized leaves of absence may not be used in the calculation of average final compensation except under RCW 41.40.710(2) or (c) of this subsection.

(c) In calculating average final compensation under this subsection for a member of plan 1, 2, or 3, the department of retirement systems shall include:

(i) Any compensation forgone by the member during the 2009-2011 fiscal biennium as a result of reduced work hours, voluntary leave without pay, temporary reduction in pay implemented prior to December 11, 2010, or temporary furloughs if the reduced compensation is an integral part of the employer's expenditure reduction efforts, as certified by the employer; and

(ii) Any compensation forgone by a member employed by the state or a local government during the 2011-2013 fiscal biennium as a result of reduced work hours, mandatory leave without pay, temporary layoffs, or reductions to current pay if the reduced compensation is an integral part of the employer's expenditure reduction efforts, as certified by the employer. Reductions to current pay shall not include elimination of previously agreed upon future salary increases.

(7)(a) "Beneficiary" for plan 1 members, means any person in receipt of a retirement allowance, pension or other benefit provided by this chapter.

(b) "Beneficiary" for plan 2 and plan 3 members, means any person in receipt of a retirement allowance or other benefit provided by this chapter resulting from service rendered to an employer by another person.

(8)(a) "Compensation earnable" for plan 1 members, means salaries or wages earned during a payroll period for personal services and where the compensation is not all paid in money, maintenance compensation shall be included upon the basis of the schedules established by the member's employer.

(i) "Compensation earnable" for plan 1 members also includes the following actual or imputed payments, which are not paid for personal services:

(A) Retroactive payments to an individual by an employer on reinstatement of the employee in a position, or payments by an employer to an individual in lieu of reinstatement in a position which are awarded or granted as the equivalent of the salary or wage which the individual would have earned during a payroll period shall be considered compensation earnable and the individual shall receive the equivalent service credit;

(B) If a leave of absence is taken by an individual for the purpose of serving in the state legislature, the salary which would have been received for the position from which the leave of absence was taken, shall be considered as compensation earnable if the employee's contribution is paid by the employee and the employer's contribution is paid by the employer or employee;

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(C) Assault pay only as authorized by RCW 27.04.100, 72.01.045, and 72.09.240;

(D) Compensation that a member would have received but for a disability occurring in the line of duty only as authorized by RCW 41.40.038;

(E) Compensation that a member receives due to participation in the leave sharing program only as authorized by RCW 41.04.650 through 41.04.670; and

(F) Compensation that a member receives for being in standby status. For the purposes of this section, a member is in standby status when not being paid for time actually worked and the employer requires the member to be prepared to report immediately for work, if the need arises, although the need may not arise.

(ii) "Compensation earnable" does not include:

(A) Remuneration for unused sick leave authorized under RCW 41.04.340, 28A.400.210, or 28A.310.490;

(B) Remuneration for unused annual leave in excess of thirty days as authorized by RCW 43.01.044 and 43.01.041.

(b) "Compensation earnable" for plan 2 and plan 3 members, means salaries or wages earned by a member during a payroll period for personal services, including overtime payments, and shall include wages and salaries deferred under provisions established pursuant to sections 403(b), 414(h), and 457 of the United States Internal Revenue Code, but shall exclude nonmoney maintenance compensation and lump sum or other payments for deferred annual sick leave, unused accumulated vacation, unused accumulated annual leave, or any form of severance pay.

"Compensation earnable" for plan 2 and plan 3 members also includes the following actual or imputed payments, which are not paid for personal services:

(i) Retroactive payments to an individual by an employer on reinstatement of the employee in a position, or payments by an employer to an individual in lieu of reinstatement in a position which are awarded or granted as the equivalent of the salary or wage which the individual would have earned during a payroll period shall be considered compensation earnable to the extent provided above, and the individual shall receive the equivalent service credit;

(ii) In any year in which a member serves in the legislature, the member shall have the option of having such member's compensation earnable be the greater of:

(A) The compensation earnable the member would have received had such member not served in the legislature; or

(B) Such member's actual compensation earnable received for nonlegislative public employment and legislative service combined. Any additional contributions to the retirement system required because compensation earnable under (b)(ii)(A) of this subsection is greater than compensation earnable under (b)(ii)(B) of this subsection shall be paid by the member for both member and employer contributions;

(iii) Assault pay only as authorized by RCW 27.04.100, 72.01.045, and 72.09.240;

(iv) Compensation that a member would have received but for a disability occurring in the line of duty only as authorized by RCW 41.40.038;

(v) Compensation that a member receives due to participation in the leave sharing program only as authorized by RCW 41.04.650 through 41.04.670; and

(vi) Compensation that a member receives for being in standby status. For the purposes of this section, a member is in standby status when not being paid for time actually worked and the employer requires the member to be prepared to report immediately for work, if the need arises, although the need may not arise.

(9) "Department" means the department of retirement systems created in chapter 41.50 RCW.

(10) "Director" means the director of the department.

(11) "Eligible position" means:

(a) Any position that, as defined by the employer, normally requires five or more months of service a year for which regular compensation for at least seventy hours is earned by the occupant thereof. For purposes of this chapter an employer shall not define "position" in such a manner that an employee's monthly work for that employer is divided into more than one position;

(b) Any position occupied by an elected official or person appointed directly by the governor, or appointed by the chief justice of the supreme court under RCW 2.04.240(2) or 2.06.150(2), for which compensation is paid.

(12) "Employee" or "employed" means a person who is providing services for compensation to an employer, unless the person is free from the employer's direction and control over the performance of work. The department shall adopt rules and interpret this subsection consistent with common law.

(13)(a) "Employer" for plan 1 members, means every branch, department, agency, commission, board, and office of the state, any political subdivision or association of political subdivisions of the state admitted into the retirement system, and legal entities authorized by RCW 35.63.070 and 36.70.060 or chapter 39.34 RCW; and the term shall also include any labor guild, association, or organization the membership of a local lodge or division of which is comprised of at least forty percent employees of an employer (other than such labor guild, association, or organization) within this chapter. The term may also include any city of the first class that has its own retirement system.

(b) "Employer" for plan 2 and plan 3 members, means every branch, department, agency, commission, board, and office of the state, and any political subdivision and municipal corporation of the state admitted into the retirement system, including public agencies created pursuant to RCW 35.63.070, 36.70.060, and 39.34.030; except that after August 31, 2000, school districts and educational service districts will no longer be employers for the public employees' retirement system plan 2.

(14) "Final compensation" means the annual rate of compensation earnable by a member at the time of termination of employment.

(15) "Index" means, for any calendar year, that year's annual average consumer price index, Seattle, Washington area, for urban wage earners and clerical workers, all items, compiled by the bureau of labor statistics, United States department of labor.

(16) "Index A" means the index for the year prior to the determination of a postretirement adjustment.

(17) "Index B" means the index for the year prior to index A.

(18) "Index year" means the earliest calendar year in which the index is more than sixty percent of index A.

(19) "Ineligible position" means any position which does not conform with the requirements set forth in subsection (11) of this section.

(20) "Leave of absence" means the period of time a member is authorized by the employer to be absent from service without being separated from membership.

(21) "Member" means any employee included in the membership of the retirement system, as provided for in RCW 41.40.023. RCW 41.26.045 does not prohibit a person otherwise eligible for membership in the retirement system from establishing such membership effective when he or she first entered an eligible position.

(22) "Member account" or "member's account" for purposes of plan 3 means the sum of the contributions and earnings on behalf of the member in the defined contribution portion of plan 3.

(23) "Membership service" means:

(a) All service rendered, as a member, after October 1, 1947;

(b) All service after October 1, 1947, to any employer prior to the time of its admission into the retirement system for which member and employer contributions, plus interest as required by RCW 41.50.125, have been paid under RCW 41.40.056 or 41.40.057;

(c) Service not to exceed six consecutive months of probationary service rendered after April 1, 1949, and prior to becoming a member, in the case of any member, upon payment in full by such member of the total amount of the employer's contribution to the retirement fund which would have been required under the law in effect when such probationary service was rendered if the member had been a member during such period, except that the amount of the employer's contribution shall be calculated by the director based on the first month's compensation earnable as a member;

(d) Service not to exceed six consecutive months of probationary service, rendered after October 1, 1947, and before April 1, 1949, and prior to becoming a member, in the case of any member, upon payment in full by such member of five percent of such member's salary during said period of probationary service, except that the amount of the employer's contribution shall be calculated by the director based on the first month's compensation earnable as a member.

(24) "New member" means a person who becomes a member on or after April 1, 1949, except as otherwise provided in this section.

(25) "Original member" of this retirement system means:

(a) Any person who became a member of the system prior to April 1, 1949;

(b) Any person who becomes a member through the admission of an employer into the retirement system on and after April 1, 1949, and prior to April 1, 1951;

(c) Any person who first becomes a member by securing employment with an employer prior to April 1, 1951, provided the member has rendered at least one or more years of service to any employer prior to October 1, 1947;

(d) Any person who first becomes a member through the admission of an employer into the retirement system on or after April 1, 1951, provided, such person has been in the regular employ of the employer for at least six months of the twelve-month period preceding the said admission date;

(e) Any member who has restored all contributions that may have been withdrawn as provided by RCW 41.40.150 and who on the effective date of the

individual's retirement becomes entitled to be credited with ten years or more of membership service except that the provisions relating to the minimum amount of retirement allowance for the member upon retirement at age seventy as found in RCW 41.40.190(4) shall not apply to the member;

(f) Any member who has been a contributor under the system for two or more years and who has restored all contributions that may have been withdrawn as provided by RCW 41.40.150 and who on the effective date of the individual's retirement has rendered five or more years of service for the state or any political subdivision prior to the time of the admission of the employer into the system; except that the provisions relating to the minimum amount of retirement allowance for the member upon retirement at age seventy as found in RCW 41.40.190(4) shall not apply to the member.

(26) "Pension" means payments for life derived from contributions made by the employer. All pensions shall be paid in monthly installments.

(27) "Plan 1" means the public employees' retirement system, plan 1 providing the benefits and funding provisions covering persons who first became members of the system prior to October 1, 1977.

(28) "Plan 2" means the public employees' retirement system, plan 2 providing the benefits and funding provisions covering persons who first became members of the system on and after October 1, 1977, and are not included in plan 3.

(29) "Plan 3" means the public employees' retirement system, plan 3 providing the benefits and funding provisions covering persons who:

(a) First become a member on or after:

(i) March 1, 2002, and are employed by a state agency or institute of higher education and who did not choose to enter plan 2; or

(ii) September 1, 2002, and are employed by other than a state agency or institute of higher education and who did not choose to enter plan 2; or

(b) Transferred to plan 3 under RCW 41.40.795.

(30) "Prior service" means all service of an original member rendered to any employer prior to October 1, 1947.

(31) "Regular interest" means such rate as the director may determine.

(32) "Retiree" means any person who has begun accruing a retirement allowance or other benefit provided by this chapter resulting from service rendered to an employer while a member.

(33) "Retirement" means withdrawal from active service with a retirement allowance as provided by this chapter.

(34) "Retirement allowance" means the sum of the annuity and the pension.

(35) "Retirement system" means the public employees' retirement system provided for in this chapter.

(36) "Separation from service" occurs when a person has terminated all employment with an employer. Separation from service or employment does not occur, and if claimed by an employer or employee may be a violation of RCW 41.40.055, when an employee and employer have a written or oral agreement to resume employment with the same employer following termination. Mere expressions or inquiries about postretirement employment by an employer or employee that do not constitute a commitment to reemploy the employee after retirement are not an agreement under this subsection.

(37)(a) "Service" for plan 1 members, except as provided in RCW 41.40.088, means periods of employment in an eligible position or positions for one or more employers rendered to any employer for which compensation is paid, and includes time spent in office as an elected or appointed official of an employer. Compensation earnable earned in full time work for seventy hours or more in any given calendar month shall constitute one service credit month except as provided in RCW 41.40.088. Compensation earnable earned for less than seventy hours in any calendar month shall constitute one-quarter service credit month of service except as provided in RCW 41.40.088. Only service credit months and one-quarter service credit months shall be counted in the computation of any retirement allowance or other benefit provided for in this chapter. Any fraction of a year of service shall be taken into account in the computation of such retirement allowance or benefits. Time spent in standby status, whether compensated or not, is not service.

(i) Service by a state employee officially assigned by the state on a temporary basis to assist another public agency, shall be considered as service as a state employee: PROVIDED, That service to any other public agency shall not be considered service as a state employee if such service has been used to establish benefits in any other public retirement system.

(ii) An individual shall receive no more than a total of twelve service credit months of service during any calendar year. If an individual is employed in an eligible position by one or more employers the individual shall receive no more than one service credit month during any calendar month in which multiple service for seventy or more hours is rendered.

(iii) A school district employee may count up to forty-five days of sick leave as creditable service solely for the purpose of determining eligibility to retire under RCW 41.40.180 as authorized by RCW 28A.400.300. For purposes of plan 1 "forty-five days" as used in RCW 28A.400.300 is equal to two service credit months. Use of less than forty-five days of sick leave is creditable as allowed under this subsection as follows:

(A) Less than twenty-two days equals one-quarter service credit month;

(B) Twenty-two days equals one service credit month;

(C) More than twenty-two days but less than forty-five days equals one and one-quarter service credit month.

(b) "Service" for plan 2 and plan 3 members, means periods of employment by a member in an eligible position or positions for one or more employers for which compensation earnable is paid. Compensation earnable earned for ninety or more hours in any calendar month shall constitute one service credit month except as provided in RCW 41.40.088. Compensation earnable earned for at least seventy hours but less than ninety hours in any calendar month shall constitute one-half service credit month of service. Compensation earnable earned for less than seventy hours in any calendar month shall constitute one-quarter service credit month of service. Time spent in standby status, whether compensated or not, is not service.

Any fraction of a year of service shall be taken into account in the computation of such retirement allowance or benefits.

(i) Service in any state elective position shall be deemed to be full time service, except that persons serving in state elective positions who are members of the Washington school employees' retirement system, teachers' retirement

system, public safety employees' retirement system, or law enforcement officers' and firefighters' retirement system at the time of election or appointment to such position may elect to continue membership in the Washington school employees' retirement system, teachers' retirement system, public safety employees' retirement system, or law enforcement officers' and firefighters' retirement system.

(ii) A member shall receive a total of not more than twelve service credit months of service for such calendar year. If an individual is employed in an eligible position by one or more employers the individual shall receive no more than one service credit month during any calendar month in which multiple service for ninety or more hours is rendered.

(iii) Up to forty-five days of sick leave may be creditable as service solely for the purpose of determining eligibility to retire under RCW 41.40.180 as authorized by RCW 28A.400.300. For purposes of plan 2 and plan 3 "forty-five days" as used in RCW 28A.400.300 is equal to two service credit months. Use of less than forty-five days of sick leave is creditable as allowed under this subsection as follows:

(A) Less than eleven days equals one-quarter service credit month;

(B) Eleven or more days but less than twenty-two days equals one-half service credit month;

(C) Twenty-two days equals one service credit month;

(D) More than twenty-two days but less than thirty-three days equals one and one-quarter service credit month;

(E) Thirty-three or more days but less than forty-five days equals one and one-half service credit month.

(38) "Service credit month" means a month or an accumulation of months of service credit which is equal to one.

(39) "Service credit year" means an accumulation of months of service credit which is equal to one when divided by twelve.

(40) "State actuary" or "actuary" means the person appointed pursuant to RCW 44.44.010(2).

(41) "State elective position" means any position held by any person elected or appointed to statewide office or elected or appointed as a member of the legislature.

(42) "State treasurer" means the treasurer of the state of Washington.

(43) "Totally incapacitated for duty" means total inability to perform the duties of a member's employment or office or any other work for which the member is qualified by training or experience.

Sec. 6. RCW 43.43.120 and 2010 2nd sp.s. c 1 s 907 are each amended to read as follows:

As used in this section and RCW 43.43.130 through 43.43.320, unless a different meaning is plainly required by the context:

(1) "Actuarial equivalent" shall mean a benefit of equal value when computed upon the basis of such mortality table as may be adopted and such interest rate as may be determined by the director.

(2) "Annual increase" means as of July 1, 1999, seventy-seven cents per month per year of service which amount shall be increased each subsequent July 1st by three percent, rounded to the nearest cent.

(3)(a) "Average final salary," for members commissioned prior to January 1, 2003, shall mean the average monthly salary received by a member during the member's last two years of service or any consecutive two-year period of service, whichever is the greater, as an employee of the Washington state patrol; or if the member has less than two years of service, then the average monthly salary received by the member during the member's total years of service.

(b) "Average final salary," for members commissioned on or after January 1, 2003, shall mean the average monthly salary received by a member for the highest consecutive sixty service credit months; or if the member has less than sixty months of service, then the average monthly salary received by the member during the member's total months of service.

(c) In calculating average final salary under (a) or (b) of this subsection, the department of retirement systems shall include:

(i) Any compensation forgone by the member during the 2009-2011 fiscal biennium as a result of reduced work hours, mandatory or voluntary leave without pay, temporary reduction in pay implemented prior to December 11, 2010, or temporary layoffs if the reduced compensation is an integral part of the employer's expenditure reduction efforts, as certified by the chief; and

(ii) Any compensation forgone by a member during the 2011-2013 fiscal biennium as a result of reduced work hours, mandatory leave without pay, temporary layoffs, or reductions to current pay if the reduced compensation is an integral part of the employer's expenditure reduction efforts, as certified by the chief. Reductions to current pay shall not include elimination of previously agreed upon future salary reductions.

(4) "Beneficiary" means any person in receipt of retirement allowance or any other benefit allowed by this chapter.

(5)(a) "Cadet," for a person who became a member of the retirement system after June 12, 1980, is a person who has passed the Washington state patrol's entry-level oral, written, physical performance, and background examinations and is, thereby, appointed by the chief as a candidate to be a commissioned officer of the Washington state patrol.

(b) "Cadet," for a person who became a member of the retirement system before June 12, 1980, is a trooper cadet, patrol cadet, or employee of like classification, employed for the express purpose of receiving the on-the-job training required for attendance at the state patrol academy and for becoming a commissioned trooper. "Like classification" includes: Radio operators or dispatchers; persons providing security for the governor or legislature; patrol officers; drivers' license examiners; weighmasters; vehicle safety inspectors; central wireless operators; and warehouse workers.

(6) "Contributions" means the deduction from the compensation of each member in accordance with the contribution rates established under chapter 41.45 RCW.

(7) "Current service" shall mean all service as a member rendered on or after August 1, 1947.

(8) "Department" means the department of retirement systems created in chapter 41.50 RCW.

(9) "Director" means the director of the department of retirement systems.

(10) "Domestic partners" means two adults who have registered as domestic partners under RCW 26.60.040.

(11) "Employee" means any commissioned employee of the Washington state patrol.

(12) "Insurance commissioner" means the insurance commissioner of the state of Washington.

(13) "Lieutenant governor" means the lieutenant governor of the state of Washington.

(14) "Member" means any person included in the membership of the retirement fund.

(15) "Plan 2" means the Washington state patrol retirement system plan 2, providing the benefits and funding provisions covering commissioned employees who first become members of the system on or after January 1, 2003.

(16) "Prior service" shall mean all services rendered by a member to the state of Washington, or any of its political subdivisions prior to August 1, 1947, unless such service has been credited in another public retirement or pension system operating in the state of Washington.

(17) "Regular interest" means interest compounded annually at such rates as may be determined by the director.

(18) "Retirement board" means the board provided for in this chapter.

(19) "Retirement fund" means the Washington state patrol retirement fund.

(20) "Retirement system" means the Washington state patrol retirement system.

(21)(a) "Salary," for members commissioned prior to July 1, 2001, shall exclude any overtime earnings related to RCW 47.46.040, or any voluntary overtime, earned on or after July 1, 2001.

(b) "Salary," for members commissioned on or after July 1, 2001, shall exclude any overtime earnings related to RCW 47.46.040 or any voluntary overtime, lump sum payments for deferred annual sick leave, unused accumulated vacation, unused accumulated annual leave, holiday pay, or any form of severance pay.

(22) "Service" shall mean services rendered to the state of Washington or any political subdivisions thereof for which compensation has been paid. Full time employment for seventy or more hours in any given calendar month shall constitute one month of service. An employee who is reinstated in accordance with RCW 43.43.110 shall suffer no loss of service for the period reinstated subject to the contribution requirements of this chapter. Only months of service shall be counted in the computation of any retirement allowance or other benefit provided for herein. Years of service shall be determined by dividing the total number of months of service by twelve. Any fraction of a year of service as so determined shall be taken into account in the computation of such retirement allowance or benefit.

(23) "State actuary" or "actuary" means the person appointed pursuant to RCW 44.44.010(2).

(24) "State treasurer" means the treasurer of the state of Washington.

Unless the context expressly indicates otherwise, words importing the masculine gender shall be extended to include the feminine gender and words importing the feminine gender shall be extended to include the masculine gender.

NEW SECTION. **Sec. 7.** This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and takes effect July 1, 2011.

Passed by the House May 2, 2011.

Passed by the Senate May 9, 2011.

Approved by the Governor May 31, 2011.

Filed in Office of Secretary of State June 1, 2011.

CHAPTER 6

[Engrossed Substitute House Bill 2115]

STUDENT ASSESSMENT—PERFORMANCE STANDARDS

AN ACT Relating to legislative review of performance standards for the statewide student assessment; amending RCW 28A.305.130; and declaring an emergency.

Be it enacted by the Legislature of the State of Washington:

Sec. 1. RCW 28A.305.130 and 2009 c 548 s 502 are each amended to read as follows:

The purpose of the state board of education is to provide advocacy and strategic oversight of public education; implement a standards-based accountability framework that creates a unified system of increasing levels of support for schools in order to improve student academic achievement; provide leadership in the creation of a system that personalizes education for each student and respects diverse cultures, abilities, and learning styles; and promote achievement of the goals of RCW 28A.150.210. In addition to any other powers and duties as provided by law, the state board of education shall:

(1) Hold regularly scheduled meetings at such time and place within the state as the board shall determine and may hold such special meetings as may be deemed necessary for the transaction of public business;

(2) Form committees as necessary to effectively and efficiently conduct the work of the board;

(3) Seek advice from the public and interested parties regarding the work of the board;

(4) For purposes of statewide accountability:

(a) Adopt and revise performance improvement goals in reading, writing, science, and mathematics, by subject and grade level, once assessments in these subjects are required statewide; academic and technical skills, as appropriate, in secondary career and technical education programs; and student attendance, as the board deems appropriate to improve student learning. The goals shall be consistent with student privacy protection provisions of RCW 28A.655.090(7) and shall not conflict with requirements contained in Title I of the federal elementary and secondary education act of 1965, or the requirements of the Carl D. Perkins vocational education act of 1998, each as amended. The goals may be established for all students, economically disadvantaged students, limited English proficient students, students with disabilities, and students from disproportionately academically underachieving racial and ethnic backgrounds. The board may establish school and school district goals addressing high school graduation rates and dropout reduction goals for students in grades seven through twelve. The board shall adopt the goals by rule. However, before each

goal is implemented, the board shall present the goal to the education committees of the house of representatives and the senate for the committees' review and comment in a time frame that will permit the legislature to take statutory action on the goal if such action is deemed warranted by the legislature;

(b) Identify the scores students must achieve in order to meet the standard on the ~~((Washington))~~ statewide student assessment ~~((of student learning))~~ and, for high school students, to obtain a certificate of academic achievement. The board shall also determine student scores that identify levels of student performance below and beyond the standard. The board shall consider the incorporation of the standard error of measurement into the decision regarding the award of the certificates. The board shall set such performance standards and levels in consultation with the superintendent of public instruction and after consideration of any recommendations that may be developed by any advisory committees that may be established for this purpose. The legislature shall be advised of the initial performance standards ~~((and))~~ for the high school statewide student assessment. Any changes recommended by the board in the performance standards for the ~~((tenth grade))~~ high school assessment shall be presented to the education committees of the house of representatives and the senate by November 30th of the school year in which the changes will take place to permit the legislature to take statutory action before the changes are implemented if such action is deemed warranted by the legislature. The legislature shall be advised of the initial performance standards and any changes made to the elementary level performance standards and the middle school level performance standards. The board must provide an explanation of and rationale for all initial performance standards and any changes, for all grade levels of the statewide student assessment. If the board changes the performance standards for any grade level or subject, the superintendent of public instruction must recalculate the results from the previous ten years of administering that assessment regarding students below, meeting, and beyond the state standard, to the extent that this data is available, and post a comparison of the original and recalculated results on the superintendent's web site;

(c) Annually review the assessment reporting system to ensure fairness, accuracy, timeliness, and equity of opportunity, especially with regard to schools with special circumstances and unique populations of students, and a recommendation to the superintendent of public instruction of any improvements needed to the system; and

(d) Include in the biennial report required under RCW 28A.305.035, information on the progress that has been made in achieving goals adopted by the board;

(5) Accredited, subject to such accreditation standards and procedures as may be established by the state board of education, all private schools that apply for accreditation, and approve, subject to the provisions of RCW 28A.195.010, private schools carrying out a program for any or all of the grades kindergarten through twelve ~~((:PROVIDED, That))~~. However, no private school may be approved that operates a kindergarten program only ~~((:PROVIDED FURTHER, That))~~ and no private school ~~((s))~~ shall be placed upon the list of accredited schools so long as secret societies are knowingly allowed to exist among its students by school officials;

(6) Articulate with the institutions of higher education, workforce representatives, and early learning policymakers and providers to coordinate and unify the work of the public school system;

(7) Hire an executive director and an administrative assistant to reside in the office of the superintendent of public instruction for administrative purposes. Any other personnel of the board shall be appointed as provided by RCW 28A.300.020. The board may delegate to the executive director by resolution such duties as deemed necessary to efficiently carry on the business of the board including, but not limited to, the authority to employ necessary personnel and the authority to enter into, amend, and terminate contracts on behalf of the board. The executive director, administrative assistant, and all but one of the other personnel of the board are exempt from civil service, together with other staff as now or hereafter designated as exempt in accordance with chapter 41.06 RCW; and

(8) Adopt a seal that shall be kept in the office of the superintendent of public instruction.

NEW SECTION. Sec. 2. This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and takes effect immediately.

Passed by the House May 13, 2011.

Passed by the Senate May 18, 2011.

Approved by the Governor May 31, 2011.

Filed in Office of Secretary of State June 1, 2011.

CHAPTER 7

[Engrossed Substitute Senate Bill 5581]

NURSING HOMES

AN ACT Relating to nursing homes; amending RCW 74.46.431, 74.46.435, 74.46.437, 74.46.485, 74.46.496, 74.46.501, 74.46.506, 74.46.515, and 74.46.521; reenacting and amending RCW 43.84.092; adding a new section to chapter 74.46 RCW; adding a new chapter to Title 74 RCW; creating a new section; repealing RCW 74.46.433; prescribing penalties; providing an effective date; and declaring an emergency.

Be it enacted by the Legislature of the State of Washington:

Sec. 1. RCW 74.46.431 and 2010 1st sp.s. c 34 s 3 are each amended to read as follows:

(1) Nursing facility medicaid payment rate allocations shall be facility-specific and shall have ~~((seven))~~ six components: Direct care, therapy care, support services, operations, property, and financing allowance ~~((, and variable return))~~. The department shall establish and adjust each of these components, as provided in this section and elsewhere in this chapter, for each medicaid nursing facility in this state.

(2) Component rate allocations in therapy care and support services for all facilities shall be based upon a minimum facility occupancy of eighty-five percent of licensed beds, regardless of how many beds are set up or in use. Component rate allocations in operations, property, and financing allowance for essential community providers shall be based upon a minimum facility occupancy of ~~((eighty-five))~~ eighty-seven percent of licensed beds, regardless of how many beds are set up or in use. Component rate allocations in operations,

property, and financing allowance for small nonessential community providers shall be based upon a minimum facility occupancy of ~~((ninety))~~ ninety-two percent of licensed beds, regardless of how many beds are set up or in use. Component rate allocations in operations, property, and financing allowance for large nonessential community providers shall be based upon a minimum facility occupancy of ~~((ninety-two))~~ ninety-five percent of licensed beds, regardless of how many beds are set up or in use. For all facilities, the component rate allocation in direct care shall be based upon actual facility occupancy. The median cost limits used to set component rate allocations shall be based on the applicable minimum occupancy percentage. In determining each facility's therapy care component rate allocation under RCW 74.46.511, the department shall apply the applicable minimum facility occupancy adjustment before creating the array of facilities' adjusted therapy costs per adjusted resident day. In determining each facility's support services component rate allocation under RCW 74.46.515(3), the department shall apply the applicable minimum facility occupancy adjustment before creating the array of facilities' adjusted support services costs per adjusted resident day. In determining each facility's operations component rate allocation under RCW 74.46.521(3), the department shall apply the minimum facility occupancy adjustment before creating the array of facilities' adjusted general operations costs per adjusted resident day.

(3) Information and data sources used in determining medicaid payment rate allocations, including formulas, procedures, cost report periods, resident assessment instrument formats, resident assessment methodologies, and resident classification and case mix weighting methodologies, may be substituted or altered from time to time as determined by the department.

(4)(a) Direct care component rate allocations shall be established using adjusted cost report data covering at least six months. Effective July 1, 2009, the direct care component rate allocation shall be rebased, ~~((using the adjusted cost report data for the calendar year two years immediately preceding the rate rebase period))~~ so that adjusted cost report data for calendar year 2007 is used for July 1, 2009, through June 30, ~~((2012))~~ 2013. Beginning July 1, ~~((2012))~~ 2013, the direct care component rate allocation shall be rebased biennially during every ~~((even-numbered))~~ odd-numbered year thereafter using adjusted cost report data from two years prior to the rebase period, so adjusted cost report data for calendar year ~~((2010))~~ 2011 is used for July 1, ~~((2012))~~ 2013, through June 30, ~~((2014))~~ 2015, and so forth.

(b) Direct care component rate allocations established in accordance with this chapter shall be adjusted annually for economic trends and conditions by a factor or factors defined in the biennial appropriations act. The economic trends and conditions factor or factors defined in the biennial appropriations act shall not be compounded with the economic trends and conditions factor or factors defined in any other biennial appropriations acts before applying it to the direct care component rate allocation established in accordance with this chapter. When no economic trends and conditions factor or factors for either fiscal year are defined in a biennial appropriations act, no economic trends and conditions factor or factors defined in any earlier biennial appropriations act shall be applied solely or compounded to the direct care component rate allocation established in accordance with this chapter.

(5)(a) Therapy care component rate allocations shall be established using adjusted cost report data covering at least six months. Effective July 1, 2009, the therapy care component rate allocation shall be cost rebased, so that adjusted cost report data for calendar year 2007 is used for July 1, 2009, through June 30, ~~((2012))~~ 2013. Beginning July 1, ~~((2012))~~ 2013, the therapy care component rate allocation shall be rebased biennially during every ~~((even-numbered))~~ odd-numbered year thereafter using adjusted cost report data from two years prior to the rebase period, so adjusted cost report data for calendar year ~~((2010))~~ 2011 is used for July 1, ~~((2012))~~ 2013, through June 30, ~~((2014))~~ 2015, and so forth.

(b) Therapy care component rate allocations established in accordance with this chapter shall be adjusted annually for economic trends and conditions by a factor or factors defined in the biennial appropriations act. The economic trends and conditions factor or factors defined in the biennial appropriations act shall not be compounded with the economic trends and conditions factor or factors defined in any other biennial appropriations acts before applying it to the therapy care component rate allocation established in accordance with this chapter. When no economic trends and conditions factor or factors for either fiscal year are defined in a biennial appropriations act, no economic trends and conditions factor or factors defined in any earlier biennial appropriations act shall be applied solely or compounded to the therapy care component rate allocation established in accordance with this chapter.

(6)(a) Support services component rate allocations shall be established using adjusted cost report data covering at least six months. Effective July 1, 2009, the support services component rate allocation shall be cost rebased, so that adjusted cost report data for calendar year 2007 is used for July 1, 2009, through June 30, ~~((2012))~~ 2013. Beginning July 1, ~~((2012))~~ 2013, the support services component rate allocation shall be rebased biennially during every ~~((even-numbered))~~ odd-numbered year thereafter using adjusted cost report data from two years prior to the rebase period, so adjusted cost report data for calendar year ~~((2010))~~ 2011 is used for July 1, ~~((2012))~~ 2013, through June 30, ~~((2014))~~ 2015, and so forth.

(b) Support services component rate allocations established in accordance with this chapter shall be adjusted annually for economic trends and conditions by a factor or factors defined in the biennial appropriations act. The economic trends and conditions factor or factors defined in the biennial appropriations act shall not be compounded with the economic trends and conditions factor or factors defined in any other biennial appropriations acts before applying it to the support services component rate allocation established in accordance with this chapter. When no economic trends and conditions factor or factors for either fiscal year are defined in a biennial appropriations act, no economic trends and conditions factor or factors defined in any earlier biennial appropriations act shall be applied solely or compounded to the support services component rate allocation established in accordance with this chapter.

(7)(a) Operations component rate allocations shall be established using adjusted cost report data covering at least six months. Effective July 1, 2009, the operations component rate allocation shall be cost rebased, so that adjusted cost report data for calendar year 2007 is used for July 1, 2009, through June 30, ~~((2012))~~ 2013. Beginning July 1, ~~((2012))~~ 2013, the operations care component rate allocation shall be rebased biennially during every ~~((even-numbered))~~ odd-

numbered year thereafter using adjusted cost report data from two years prior to the rebase period, so adjusted cost report data for calendar year ((2010)) 2011 is used for July 1, ((2012)) 2013, through June 30, ((2014)) 2015, and so forth.

(b) Operations component rate allocations established in accordance with this chapter shall be adjusted annually for economic trends and conditions by a factor or factors defined in the biennial appropriations act. The economic trends and conditions factor or factors defined in the biennial appropriations act shall not be compounded with the economic trends and conditions factor or factors defined in any other biennial appropriations acts before applying it to the operations component rate allocation established in accordance with this chapter. When no economic trends and conditions factor or factors for either fiscal year are defined in a biennial appropriations act, no economic trends and conditions factor or factors defined in any earlier biennial appropriations act shall be applied solely or compounded to the operations component rate allocation established in accordance with this chapter.

(8) Total payment rates under the nursing facility medicaid payment system shall not exceed facility rates charged to the general public for comparable services.

(9) The department shall establish in rule procedures, principles, and conditions for determining component rate allocations for facilities in circumstances not directly addressed by this chapter, including but not limited to: Inflation adjustments for partial-period cost report data, newly constructed facilities, existing facilities entering the medicaid program for the first time or after a period of absence from the program, existing facilities with expanded new bed capacity, existing medicaid facilities following a change of ownership of the nursing facility business, facilities temporarily reducing the number of set-up beds during a remodel, facilities having less than six months of either resident assessment, cost report data, or both, under the current contractor prior to rate setting, and other circumstances.

(10) The department shall establish in rule procedures, principles, and conditions, including necessary threshold costs, for adjusting rates to reflect capital improvements or new requirements imposed by the department or the federal government. Any such rate adjustments are subject to the provisions of RCW 74.46.421.

(11) Effective July 1, 2010, there shall be no rate adjustment for facilities with banked beds. For purposes of calculating minimum occupancy, licensed beds include any beds banked under chapter 70.38 RCW.

(12) Facilities obtaining a certificate of need or a certificate of need exemption under chapter 70.38 RCW after June 30, 2001, must have a certificate of capital authorization in order for (a) the depreciation resulting from the capitalized addition to be included in calculation of the facility's property component rate allocation; and (b) the net invested funds associated with the capitalized addition to be included in calculation of the facility's financing allowance rate allocation.

Sec. 2. RCW 74.46.435 and 2010 1st sp.s. c 34 s 5 are each amended to read as follows:

(1) The property component rate allocation for each facility shall be determined by dividing the sum of the reported allowable prior period actual depreciation, subject to department rule, adjusted for any capitalized additions or

replacements approved by the department, and the retained savings from such cost center, by the greater of a facility's total resident days in the prior period or resident days as calculated on ~~((eighty-five))~~ eighty-seven percent facility occupancy for essential community providers, ~~((ninety))~~ ninety-two percent occupancy for small nonessential community providers, or ~~((ninety-two))~~ ninety-five percent facility occupancy for large nonessential community providers. If a capitalized addition or retirement of an asset will result in a different licensed bed capacity during the ensuing period, the prior period total resident days used in computing the property component rate shall be adjusted to anticipated resident day level.

(2) A nursing facility's property component rate allocation shall be rebased annually, effective July 1st, in accordance with this section and this chapter.

(3) When a certificate of need for a new facility is requested, the department, in reaching its decision, shall take into consideration per-bed land and building construction costs for the facility which shall not exceed a maximum to be established by the secretary.

(4) The property component rate allocations calculated in accordance with this section shall be adjusted to the extent necessary to comply with RCW 74.46.421.

Sec. 3. RCW 74.46.437 and 2001 1st sp.s. c 8 s 8 are each amended to read as follows:

(1) ~~((Beginning July 1, 1999,))~~ The department shall establish for each medicaid nursing facility a financing allowance component rate allocation. The financing allowance component rate shall be rebased annually, effective July 1st, in accordance with the provisions of this section and this chapter.

(2) ~~((Effective July 1, 2001,))~~ The financing allowance ~~((shall be))~~ is determined by multiplying the net invested funds of each facility by ~~((-10))~~ .04, and dividing by the greater of a nursing facility's total resident days from the most recent cost report period or resident days calculated on ~~((eighty-five))~~ eighty-seven percent facility occupancy~~((- Effective July 1, 2002, the financing allowance component rate allocation for all facilities, other than essential community providers, shall be set by using the greater of a facility's total resident days from the most recent cost report period or resident days calculated at ninety percent facility occupancy. However, assets acquired on or after May 17, 1999, shall be grouped in a separate financing allowance calculation that shall be multiplied by .085. The financing allowance factor of .085 shall not be applied to the net invested funds pertaining to new construction or major renovations receiving certificate of need approval or an exemption from certificate of need requirements under chapter 70.38 RCW, or to working drawings that have been submitted to the department of health for construction review approval, prior to May 17, 1999))~~ for essential community providers, ninety-two percent facility occupancy for small nonessential community providers, or ninety-five percent occupancy for large nonessential community providers. If a capitalized addition, renovation, replacement, or retirement of an asset will result in a different licensed bed capacity during the ensuing period, the prior period total resident days used in computing the financing allowance shall be adjusted to the greater of the anticipated resident day level or ~~((eighty-five))~~ eighty-seven percent of the new licensed bed capacity for essential community providers, ninety-two percent facility occupancy for small

~~nonessential community providers, or ninety-five percent occupancy for large nonessential community providers. ((Effective July 1, 2002, for all facilities, other than essential community providers, the total resident days used to compute the financing allowance after a capitalized addition, renovation, replacement, or retirement of an asset shall be set by using the greater of a facility's total resident days from the most recent cost report period or resident days calculated at ninety percent facility occupancy-))~~

(3) In computing the portion of net invested funds representing the net book value of tangible fixed assets, the same assets, depreciation bases, lives, and methods referred to in ~~((RCW 74.46.330, 74.46.350, 74.46.360, 74.46.370, and 74.46.380))~~ department rule, including owned and leased assets, shall be utilized, except that the capitalized cost of land upon which the facility is located and such other contiguous land which is reasonable and necessary for use in the regular course of providing resident care ~~((shall))~~ must also be included. Subject to provisions and limitations contained in this chapter, for land purchased by owners or lessors before July 18, 1984, capitalized cost of land ~~((shall be))~~ is the buyer's capitalized cost. For all partial or whole rate periods after July 17, 1984, if the land is purchased after July 17, 1984, capitalized cost ~~((shall be))~~ is that of the owner of record on July 17, 1984, or buyer's capitalized cost, whichever is lower. In the case of leased facilities where the net invested funds are unknown or the contractor is unable to provide necessary information to determine net invested funds, the secretary ~~((shall have))~~ has the authority to determine an amount for net invested funds based on an appraisal conducted according to ~~((RCW 74.46.360(1)))~~ department rule.

~~(4) ((Effective July 1, 2001, for the purpose of calculating a nursing facility's financing allowance component rate, if a contractor has elected to bank licensed beds prior to May 25, 2001, or elects to convert banked beds to active service at any time, under chapter 70.38 RCW, the department shall use the facility's new licensed bed capacity to recalculate minimum occupancy for rate setting and revise the financing allowance component rate, as needed, effective as of the date the beds are banked or converted to active service. However, in no case shall the department use less than eighty-five percent occupancy of the facility's licensed bed capacity after banking or conversion. Effective July 1, 2002, in no case, other than for essential community providers, shall the department use less than ninety percent occupancy of the facility's licensed bed capacity after conversion.~~

~~(5))~~ The financing allowance rate allocation calculated in accordance with this section shall be adjusted to the extent necessary to comply with RCW 74.46.421.

Sec. 4. RCW 74.46.485 and 2010 1st sp.s. c 34 s 9 are each amended to read as follows:

(1) The department shall:

(a) Employ the resource utilization group III case mix classification methodology. The department shall use the forty-four group index maximizing model for the resource utilization group III grouper version 5.10, but the department may revise or update the classification methodology to reflect advances or refinements in resident assessment or classification, subject to federal requirements. The department may adjust the case mix index for any of the lowest ten resource utilization group categories beginning with PA1 through

PE2 to any case mix index that aids in achieving the purpose and intent of RCW 74.39A.007 and cost-efficient care; and

(b) Implement minimum data set 3.0 under the authority of this section and RCW 74.46.431(3). The department must notify nursing home contractors twenty-eight days in advance the date of implementation of the minimum data set 3.0. In the notification, the department must identify for all semiannual rate settings following the date of minimum data set 3.0 implementation a previously established semiannual case mix adjustment established for the semiannual rate settings that will be used for semiannual case mix calculations in direct care until minimum data set 3.0 is fully implemented. ~~((After the department has fully implemented minimum data set 3.0, it must adjust any semiannual rate setting in which it used the previously established case mix adjustment using the new minimum data set 3.0 data.))~~

(2) A default case mix group shall be established for cases in which the resident dies or is discharged for any purpose prior to completion of the resident's initial assessment. The default case mix group and case mix weight for these cases shall be designated by the department.

(3) A default case mix group may also be established for cases in which there is an untimely assessment for the resident. The default case mix group and case mix weight for these cases shall be designated by the department.

Sec. 5. RCW 74.46.496 and 2010 1st sp.s. c 34 s 10 are each amended to read as follows:

(1) Each case mix classification group shall be assigned a case mix weight. The case mix weight for each resident of a nursing facility for each calendar quarter or six-month period during a calendar year shall be based on data from resident assessment instruments completed for the resident and weighted by the number of days the resident was in each case mix classification group. Days shall be counted as provided in this section.

(2) The case mix weights shall be based on the average minutes per registered nurse, licensed practical nurse, and certified nurse aide, for each case mix group, and using the United States department of health and human services ~~((1995))~~ nursing facility staff time measurement study ~~((stemming from its multistate nursing home case mix and quality demonstration project))~~. Those minutes shall be weighted by statewide ratios of registered nurse to certified nurse aide, and licensed practical nurse to certified nurse aide, wages, including salaries and benefits, which shall be based on ~~((1995))~~ cost report data for this state.

(3) The case mix weights shall be determined as follows:

(a) Set the certified nurse aide wage weight at 1.000 and calculate wage weights for registered nurse and licensed practical nurse average wages by dividing the certified nurse aide average wage into the registered nurse average wage and licensed practical nurse average wage;

(b) Calculate the total weighted minutes for each case mix group in the resource utilization group ~~((H))~~ classification system by multiplying the wage weight for each worker classification by the average number of minutes that classification of worker spends caring for a resident in that resource utilization group ~~((H))~~ classification group, and summing the products;

(c) Assign ~~((a))~~ the lowest case mix weight ~~((of 1.000))~~ to the resource utilization group ~~((H classification group))~~ with the lowest total weighted

minutes and calculate case mix weights by dividing the lowest group's total weighted minutes into each group's total weighted minutes and rounding weight calculations to the third decimal place.

(4) The case mix weights in this state may be revised if the United States department of health and human services updates its nursing facility staff time measurement studies. The case mix weights shall be revised, but only when direct care component rates are cost-rebased as provided in subsection (5) of this section, to be effective on the July 1st effective date of each cost-rebased direct care component rate. However, the department may revise case mix weights more frequently if, and only if, significant variances in wage ratios occur among direct care staff in the different caregiver classifications identified in this section.

(5) Case mix weights shall be revised when direct care component rates are cost-rebased as provided in RCW 74.46.431(4).

Sec. 6. RCW 74.46.501 and 2010 1st sp.s. c 34 s 11 are each amended to read as follows:

(1) From individual case mix weights for the applicable quarter, the department shall determine two average case mix indexes for each medicaid nursing facility, one for all residents in the facility, known as the facility average case mix index, and one for medicaid residents, known as the medicaid average case mix index.

(2)(a) In calculating a facility's two average case mix indexes for each quarter, the department shall include all residents or medicaid residents, as applicable, who were physically in the facility during the quarter in question based on the resident assessment instrument completed by the facility and the requirements and limitations for the instrument's completion and transmission (January 1st through March 31st, April 1st through June 30th, July 1st through September 30th, or October 1st through December 31st).

(b) The facility average case mix index shall exclude all default cases as defined in this chapter. However, the medicaid average case mix index shall include all default cases.

(3) Both the facility average and the medicaid average case mix indexes shall be determined by multiplying the case mix weight of each resident, or each medicaid resident, as applicable, by the number of days, as defined in this section and as applicable, the resident was at each particular case mix classification or group, and then averaging.

(4) In determining the number of days a resident is classified into a particular case mix group, the department shall determine a start date for calculating case mix grouping periods as specified by rule.

(5) The cutoff date for the department to use resident assessment data, for the purposes of calculating both the facility average and the medicaid average case mix indexes, and for establishing and updating a facility's direct care component rate, shall be one month and one day after the end of the quarter for which the resident assessment data applies.

(6)(a) Although the facility average and the medicaid average case mix indexes shall both be calculated quarterly, the cost-rebasing period facility average case mix index will be used throughout the applicable cost-rebasing period in combination with cost report data as specified by RCW 74.46.431 and 74.46.506, to establish a facility's allowable cost per case mix unit. To allow for the transition to minimum data set 3.0 and implementation of resource utilization

group IV for July 1, 2011, through June 30, 2013, the department shall calculate rates using the medicaid average case mix scores effective for January 1, 2011, rates adjusted under RCW 74.46.485(1)(a), and the scores shall be increased each six months during the transition period by one-half of one percent. The July 1, 2013, direct care cost per case mix unit shall be calculated by utilizing 2011 direct care costs, patient days, and 2011 facility average case mix indexes based on the minimum data set 3.0 resource utilization group IV grouper 57. A facility's medicaid average case mix index shall be used to update a nursing facility's direct care component rate semiannually.

(b) The facility average case mix index used to establish each nursing facility's direct care component rate shall be based on an average of calendar quarters of the facility's average case mix indexes from the four calendar quarters occurring during the cost report period used to rebase the direct care component rate allocations as specified in RCW 74.46.431.

(c) The medicaid average case mix index used to update or recalibrate a nursing facility's direct care component rate semiannually shall be from the calendar six-month period commencing nine months prior to the effective date of the semiannual rate. For example, July 1, 2010, through December 31, 2010, direct care component rates shall utilize case mix averages from the October 1, 2009, through March 31, 2010, calendar quarters, and so forth.

Sec. 7. RCW 74.46.506 and 2010 1st sp.s. c 34 s 12 are each amended to read as follows:

(1) The direct care component rate allocation corresponds to the provision of nursing care for one resident of a nursing facility for one day, including direct care supplies. Therapy services and supplies, which correspond to the therapy care component rate, shall be excluded. The direct care component rate includes elements of case mix determined consistent with the principles of this section and other applicable provisions of this chapter.

(2) The department shall determine and update semiannually for each nursing facility serving medicaid residents a facility-specific per-resident day direct care component rate allocation, to be effective on the first day of each six-month period. In determining direct care component rates the department shall utilize, as specified in this section, minimum data set resident assessment data for each resident of the facility, as transmitted to, and if necessary corrected by, the department in the resident assessment instrument format approved by federal authorities for use in this state.

(3) The department may question the accuracy of assessment data for any resident and utilize corrected or substitute information, however derived, in determining direct care component rates. The department is authorized to impose civil fines and to take adverse rate actions against a contractor, as specified by the department in rule, in order to obtain compliance with resident assessment and data transmission requirements and to ensure accuracy.

(4) Cost report data used in setting direct care component rate allocations shall be for rate periods as specified in RCW 74.46.431(4)(a).

(5) The department shall rebase each nursing facility's direct care component rate allocation as described in RCW 74.46.431, adjust its direct care component rate allocation for economic trends and conditions as described in RCW 74.46.431, and update its medicaid average case mix index as described in RCW 74.46.496 and 74.46.501, consistent with the following:

(a) Adjust total direct care costs reported by each nursing facility for the applicable cost report period specified in RCW 74.46.431(4)(a) to reflect any department adjustments, and to eliminate reported resident therapy costs and adjustments, in order to derive the facility's total allowable direct care cost;

(b) Divide each facility's total allowable direct care cost by its adjusted resident days for the same report period, to derive the facility's allowable direct care cost per resident day;

(c) Divide each facility's adjusted allowable direct care cost per resident day by the facility average case mix index for the applicable quarters specified by RCW 74.46.501(6)(b) to derive the facility's allowable direct care cost per case mix unit;

(d) Divide nursing facilities into at least two and, if applicable, three peer groups: Those located in nonurban counties; those located in high labor-cost counties, if any; and those located in other urban counties;

(e) Array separately the allowable direct care cost per case mix unit for all facilities in nonurban counties; for all facilities in high labor-cost counties, if applicable; and for all facilities in other urban counties, and determine the median allowable direct care cost per case mix unit for each peer group;

(f) Determine each facility's semiannual direct care component rate as follows:

(i) Any facility whose allowable cost per case mix unit is greater than one hundred (~~twelve~~) ten percent of the peer group median established under (e) of this subsection shall be assigned a cost per case mix unit equal to one hundred (~~twelve~~) ten percent of the peer group median, and shall have a direct care component rate allocation equal to the facility's assigned cost per case mix unit multiplied by that facility's medicaid average case mix index from the applicable six-month period specified in RCW 74.46.501(6)(c);

(ii) Any facility whose allowable cost per case mix unit is less than or equal to one hundred (~~twelve~~) ten percent of the peer group median established under (e) of this subsection shall have a direct care component rate allocation equal to the facility's allowable cost per case mix unit multiplied by that facility's medicaid average case mix index from the applicable six-month period specified in RCW 74.46.501(6)(c).

(6) The direct care component rate allocations calculated in accordance with this section shall be adjusted to the extent necessary to comply with RCW 74.46.421.

(7) Costs related to payments resulting from increases in direct care component rates, granted under authority of RCW 74.46.508 for a facility's exceptional care residents, shall be offset against the facility's examined, allowable direct care costs, for each report year or partial period such increases are paid. Such reductions in allowable direct care costs shall be for rate setting, settlement, and other purposes deemed appropriate by the department.

Sec. 8. RCW 74.46.515 and 2010 1st sp.s. c 34 s 15 are each amended to read as follows:

(1) The support services component rate allocation corresponds to the provision of food, food preparation, dietary, housekeeping, and laundry services for one resident for one day.

(2) The department shall determine each medicaid nursing facility's support services component rate allocation using cost report data specified by RCW 74.46.431(6).

(3) To determine each facility's support services component rate allocation, the department shall:

(a) Array facilities' adjusted support services costs per adjusted resident day, as determined by dividing each facility's total allowable support services costs by its adjusted resident days for the same report period, increased if necessary to a minimum occupancy provided by RCW 74.46.431(2), for each facility from facilities' cost reports from the applicable report year, for facilities located within urban counties, and for those located within nonurban counties and determine the median adjusted cost for each peer group;

(b) Set each facility's support services component rate at the lower of the facility's per resident day adjusted support services costs from the applicable cost report period or the adjusted median per resident day support services cost for that facility's peer group, either urban counties or nonurban counties, plus ~~((ten))~~ eight percent; and

(c) Adjust each facility's support services component rate for economic trends and conditions as provided in RCW 74.46.431(6).

(4) The support services component rate allocations calculated in accordance with this section shall be adjusted to the extent necessary to comply with RCW 74.46.421.

Sec. 9. RCW 74.46.521 and 2010 1st sp.s. c 34 s 16 are each amended to read as follows:

(1) The operations component rate allocation corresponds to the general operation of a nursing facility for one resident for one day, including but not limited to management, administration, utilities, office supplies, accounting and bookkeeping, minor building maintenance, minor equipment repairs and replacements, and other supplies and services, exclusive of direct care, therapy care, support services, property, financing allowance, and variable return.

(2) The department shall determine each medicaid nursing facility's operations component rate allocation using cost report data specified by RCW 74.46.431(7)(a). Operations component rates for essential community providers shall be based upon a minimum occupancy of ~~((eighty-five))~~ eighty-seven percent of licensed beds. Operations component rates for small nonessential community providers shall be based upon a minimum occupancy of ~~((ninety))~~ ninety-two percent of licensed beds. Operations component rates for large nonessential community providers shall be based upon a minimum occupancy of ~~((ninety-two))~~ ninety-five percent of licensed beds.

(3) For all calculations and adjustments in this subsection, the department shall use the greater of the facility's actual occupancy or an ~~((imputed))~~ occupancy equal to ~~((eighty-five))~~ eighty-seven percent for essential community providers, ~~((ninety))~~ ninety-two percent for small nonessential community providers, or ~~((ninety-two))~~ ninety-five percent for large nonessential community providers. To determine each facility's operations component rate the department shall:

(a) Array facilities' adjusted general operations costs per adjusted resident day, as determined by dividing each facility's total allowable operations cost by its adjusted resident days for the same report period for facilities located within

urban counties and for those located within nonurban counties and determine the median adjusted cost for each peer group;

(b) Set each facility's operations component rate at the lower of:

(i) The facility's per resident day adjusted operations costs from the applicable cost report period adjusted if necessary for minimum occupancy; or

(ii) The adjusted median per resident day general operations cost for that facility's peer group, urban counties or nonurban counties; and

(c) Adjust each facility's operations component rate for economic trends and conditions as provided in RCW 74.46.431(7)(b).

(4) The operations component rate allocations calculated in accordance with this section shall be adjusted to the extent necessary to comply with RCW 74.46.421.

NEW SECTION. Sec. 10. A new section is added to chapter 74.46 RCW to read as follows:

(1) The department shall establish a skilled nursing facility safety net assessment medicaid share pass through or rate add-on to reimburse the medicaid share of the skilled nursing facility safety net assessment as a medicaid allowable cost consistent with section 15 of this act. This add-on shall not be considered an allowable cost for future year cost rebasing.

(2) As of the effective date of this section, supplemental payments to reimburse medicaid expenditures, including an amount to reimburse the medicaid share of the skilled nursing facility safety net assessment, not to exceed the annual medicare upper payment limit, must be provided for all years when the skilled nursing facility safety net assessment is levied, consistent with section 15 of this act. These supplemental payments, at a minimum, must be sufficient to reimburse the medicaid share of the assessment for those paying the assessment. The part of these supplemental payments that reimburses the medicaid share of the assessment are not subject to the reconciliation and settlement process provided in RCW 74.46.022(6).

NEW SECTION. Sec. 11. (1) For fiscal years 2012 and 2013 and subject to appropriation, the department of social and health services shall do a comparative analysis of the facility-based payment rates calculated on July 1, 2011, using the payment methodology defined in chapter 74.46 RCW as modified by sections 1 through 9 of this act, to the facility-based payment rates in effect June 30, 2010. If the facility-based payment rate calculated on July 1, 2011, is smaller than the facility-based payment rate on June 30, 2010, the difference shall be provided to the individual nursing facilities as an add-on payment per medicaid resident day.

(2) During the comparative analysis performed in subsection (1) of this section, if it is found that the direct care rate for any facility calculated under sections 1 through 9 of this act is greater than the direct care rate in effect on June 30, 2010, then the facility shall receive a ten percent direct care rate add-on to compensate that facility for taking on more acute clients than they have in the past.

(3) The rate add-ons provided in subsection (2) of this section are subject to the reconciliation and settlement process provided in RCW 74.46.022(6).

NEW SECTION. Sec. 12. PURPOSE, FINDINGS, AND INTENT. (1) It is the intent of the legislature to encourage maximization of financial resources

eligible and available for medicaid services by establishing the skilled nursing facility safety net trust fund to receive skilled nursing facility safety net assessments to use in securing federal matching funds under federally prescribed programs available through the state medicaid plan.

(2) The purpose of this chapter is to provide for a safety net assessment on certain Washington skilled nursing facilities, which will be used solely to support payments to skilled nursing facilities for medicaid services.

(3) The legislature finds that:

(a) Washington skilled nursing facilities have proposed a skilled nursing facility safety net assessment to generate additional state and federal funding for the medicaid program, which will be used in part to restore recent reductions in skilled nursing facility reimbursement rates and provide for an increase in medicaid reimbursement rates; and

(b) The skilled nursing facility safety net assessment and skilled nursing facility safety net trust fund created in this chapter allows the state to generate additional federal financial participation for the medicaid program and provides for increased reimbursement to skilled nursing facilities.

(4) In adopting this chapter, it is the intent of the legislature:

(a) To impose a skilled nursing facility safety net assessment to be used solely for the purposes specified in this chapter;

(b) That funds generated by the assessment, including matching federal financial participation, shall not be used for purposes other than as specified in this chapter;

(c) That the total amount assessed not exceed the amount needed, in combination with all other available funds, to support the reimbursement rates and other payments authorized by this chapter, including payments under section 15 of this act; and

(d) To condition the assessment and use of the resulting funds on receiving federal approval for receipt of additional federal financial participation.

NEW SECTION. Sec. 13. DEFINITIONS. The definitions in this section apply throughout this chapter unless the context clearly requires otherwise.

(1) "Certain high volume medicaid nursing facilities" means the fewest number of facilities necessary with the highest number of medicaid days or total patient days annually to meet the statistical redistribution test at 42 C.F.R. Sec. 433.68(e)(2).

(2) "Continuing care retirement community" means a facility that provides a continuum of services by one operational entity or related organization providing independent living services, or boarding home or assisted living services under chapter 18.20 RCW, and skilled nursing services under chapter 18.51 RCW in a single contiguous campus. The number of licensed nursing home beds must be sixty percent or less of the total number of beds available in the entire continuing care retirement community. For purposes of this subsection "contiguous" means land adjoining or touching other property held by the same or related organization including land divided by a public road.

(3) "Deductions from revenue" means reductions from gross revenue resulting from an inability to collect payment of charges. Such reductions include bad debt, contractual adjustments, policy discounts and adjustments, and other such revenue deductions.

(4) "Department" means the department of social and health services.

(5) "Fund" means the skilled nursing facility safety net trust fund.

(6) "Hospital based" means a nursing facility that is physically part of, or contiguous to, a hospital. For purposes of this subsection "contiguous" has the same meaning as in subsection (2) of this section.

(7) "Medicare patient day" means a patient day for medicare beneficiaries on a medicare part A stay, medicare hospice stay, and a patient day for persons who have opted for managed care coverage using their medicare benefit.

(8) "Medicare upper payment limit" means the limitation established by federal regulations, 42 C.F.R. Sec. 447.272, that disallows federal matching funds when state medicaid agencies pay certain classes of nursing facilities an aggregate amount for services that would exceed the amount that would be paid for the same services furnished by that class of nursing facilities under medicare payment principles.

(9) "Net resident service revenue" means gross revenue from services to nursing facility residents less deductions from revenue. Net resident service revenue does not include other operating revenue or nonoperating revenue.

(10) "Nonexempt nursing facility" means a nursing facility that is not exempt from the skilled nursing facility safety net assessment.

(11) "Nonoperating revenue" means income from activities not relating directly to the day-to-day operations of an organization. Nonoperating revenue includes such items as gains on disposal of a facility's assets, dividends, and interest from security investments, gifts, grants, and endowments.

(12) "Nursing facility," "facility," or "skilled nursing facility" has the same meaning as "nursing home" as defined in RCW 18.51.010.

(13) "Other operating revenue" means income from nonresident care services to residents, as well as sales and activities to persons other than residents. It is derived in the course of operating the facility such as providing personal laundry service for residents or from other sources such as meals provided to persons other than residents, personal telephones, gift shops, and vending machines.

(14) "Related organization" means an entity which is under common ownership and/or control with, or has control of, or is controlled by, the contractor, as defined under chapter 74.46 RCW.

(a) "Common ownership" exists when an entity is the beneficial owner of five percent or more ownership interest in the contractor, as defined under chapter 74.46 RCW and any other entity.

(b) "Control" exists where an entity has the power, directly or indirectly, significantly to influence or direct the actions or policies of an organization or institution, whether or not it is legally enforceable and however it is exercisable or exercised.

(15) "Resident day" means a calendar day of care provided to a nursing facility resident, excluding medicare patient days. Resident days include the day of admission and exclude the day of discharge. An admission and discharge on the same day count as one day of care. Resident days include nursing facility hospice days and exclude bedhold days for all residents.

NEW SECTION. Sec. 14. SKILLED NURSING FACILITY SAFETY NET ASSESSMENT FUND. (1) There is established in the state treasury the skilled nursing facility safety net trust fund. The purpose and use of the fund shall be to receive and disburse funds, together with accrued interest, in

accordance with this chapter. Moneys in the fund, including interest earned, shall not be used or disbursed for any purposes other than those specified in this chapter. Any amounts expended from the fund that are later recouped by the department on audit or otherwise shall be returned to the fund.

(2) The skilled nursing facility safety net trust fund must be a separate and continuing fund, and no money in the fund reverts to the state general fund at any time. All assessments, interest, and penalties collected by the department under sections 15, 16, and 20 of this act shall be deposited into the fund.

(3) Any money received under sections 15, 16, and 20 of this act must be deposited in the state treasury for credit to the skilled nursing facility safety net trust fund, and must be expended, to the extent authorized by federal law, to obtain federal financial participation in the medicaid program and to maintain and enhance nursing facility rates in a manner set forth in subsection (4) of this section.

(4) Disbursements from the fund may be made only as follows:

(a) As an immediate pass-through or rate add-on to reimburse the medicaid share of the skilled nursing facility safety net assessment as a medicaid allowable cost;

(b) To make medicaid payments for nursing facility services in accordance with chapter 74.46 RCW and pursuant to this chapter;

(c) To refund erroneous or excessive payments made by skilled nursing facilities pursuant to this chapter;

(d) To administer the provisions of this chapter the department may expend an amount not to exceed one-half of one percent of the money received from the assessment, and must not exceed the amount authorized for expenditure by the legislature for administrative expenses in a fiscal year;

(e) To repay the federal government for any excess payments made to skilled nursing facilities from the fund if the assessments or payment increases set forth in this chapter are deemed out of compliance with federal statutes and regulations and all appeals have been exhausted. In such a case, the department may require skilled nursing facilities receiving excess payments to refund the payments in question to the fund. The state in turn shall return funds to the federal government in the same proportion as the original financing. If a skilled nursing facility is unable to refund payments, the state shall either develop a payment plan or deduct moneys from future medicaid payments, or both; and

(f) To increase nursing facility payments to fund covered services to medicaid beneficiaries within medicare upper limits.

(5) Any positive balance in the fund at the end of a fiscal year shall be applied to reduce the assessment amount for the subsequent fiscal year in accordance with section 16(1)(c)(i) of this act.

(6) Upon termination of the assessment, any amounts remaining in the fund shall be refunded to skilled nursing facilities, pro rata according to the amount paid by the facility, subject to limitations of federal law.

NEW SECTION. Sec. 15. ASSESSMENTS. (1) In accordance with the redistribution method set forth in 42 C.F.R. Sec. 433.68(e)(1) and (2), the department shall seek a waiver of the broad-based and uniform provider assessment requirements of federal law to exclude certain nursing facilities from the skilled nursing facility safety net assessment and to permit certain high volume medicaid nursing facilities or facilities with a high number of total

annual resident days to pay the skilled nursing facility safety net assessment at a lesser amount per nonmedicare patient day.

(2) The skilled nursing facility safety net assessment shall, at no time, be greater than the maximum percentage of the nursing facility industry reported net patient service revenues allowed under federal law or regulation.

(3) All skilled nursing facility safety net assessments collected pursuant to this section by the department shall be transmitted to the state treasurer who shall credit all such amounts to the skilled nursing facility safety net trust fund.

NEW SECTION. Sec. 16. ADMINISTRATION AND COLLECTION. (1) The department, in cooperation with the office of financial management, shall develop rules for determining the amount to be assessed to individual skilled nursing facilities, notifying individual skilled nursing facilities of the assessed amount, and collecting the amounts due. Such rule making shall specifically include provision for:

- (a) Payment of the skilled nursing facility safety net assessment;
- (b) Interest on delinquent assessments;
- (c) Adjustment of the assessment amounts as follows:

(i) The assessment amounts under section 15 of this act may be adjusted as follows:

(A) If sufficient other appropriated funds for skilled nursing facilities, are available to support the nursing facility reimbursement rates as authorized in the biennial appropriations act and other uses and payments permitted by sections 14 and 15 of this act without utilizing the full assessment authorized under section 15 of this act, the department shall reduce the amount of the assessment to the minimum level necessary to support those reimbursement rates and other uses and payments.

(B) So long as none of the conditions set forth in section 18(2) of this act have occurred, if the department's forecasts indicate that the assessment amounts under section 15 of this act, together with all other appropriated funds, are not sufficient to support the skilled nursing facility reimbursement rates authorized in the biennial appropriations act and other uses and payments authorized under sections 14 and 15 of this act, the department shall increase the assessment rates to the amount necessary to support those reimbursement rates and other payments to the maximum amount allowable under federal law.

(C) Any positive balance remaining in the fund at the end of the fiscal year shall be applied to reduce the assessment amount for the subsequent fiscal year.

(ii) Beginning July 1, 2012, any adjustment to the assessment amounts pursuant to this subsection, and the data supporting such adjustment, including but not limited to relevant data listed in subsection (2) of this section, must be submitted to the Washington health care association, and aging services of Washington, for review and comment at least sixty calendar days prior to implementation of such adjusted assessment amounts. Any review and comment provided by the Washington health care association, and aging services of Washington, shall not limit the ability of either association or its members to challenge an adjustment or other action by the department that is not made in accordance with this chapter.

(2) By November 30th of each year, the department shall provide the following data to the office of financial management, the chair of the fiscal

committee of the senate and the house of representatives, the Washington health care association, and aging services of Washington:

- (a) The fund balance; and
- (b) The amount of assessment paid by each skilled nursing facility.
- (3) Assessments shall be assessed from the effective date of this section.

NEW SECTION. Sec. 17. EXCEPTIONS. (1) Subject to subsection (4) of this section the department shall exempt the following nursing facility providers from the skilled nursing facility safety net assessment subject to federal approval under 42 C.F.R. Sec. 433.68(e)(2):

- (a) Continuing care retirement communities;
- (b) Nursing facilities with thirty-five or fewer licensed beds;
- (c) State, tribal, and county operated nursing facilities; and
- (d) Any nursing facility operated by a public hospital district and nursing facilities that are hospital-based.

(2) The department shall lower the skilled nursing facility safety net assessment for either certain high volume medicaid nursing facilities or certain facilities with high resident volumes to meet the redistributive tests of 42 C.F.R. Sec. 433.68(e)(2).

(3) The department shall lower the skilled nursing facility safety net assessment for any skilled nursing facility with a licensed bed capacity in excess of two hundred three beds to the same level described in subsection (2) of this section.

(4) To the extent necessary to obtain federal approval under 42 C.F.R. Sec. 433.68(e)(2), the exemptions prescribed in subsections (1), (2), and (3) of this section may be amended by the department.

(5) The per resident day assessment rate shall be the same amount for each affected facility except as prescribed in subsections (1), (2), and (3) of this section.

(6) The department shall notify the nursing facility operators of any skilled nursing facilities that would be exempted from the skilled nursing facility safety net assessment pursuant to the waiver request submitted to the United States department of health and human services under this section.

NEW SECTION. Sec. 18. CONDITIONS. (1) If the centers for medicare and medicaid services fail to approve any state plan amendments or waiver requests that are necessary in order to implement the applicable sections of this chapter then the assessment authorized in section 16 of this act shall cease to be imposed.

(2) Nothing in subsection (1) of this section prohibits the department from working cooperatively with the centers for medicare and medicaid services to secure approval of any needed state plan amendments or waiver requests. As provided in sections 15 and 17 of this act, the department shall adjust any submitted state plan amendments or waiver requests as necessary to achieve approval.

(3) If this chapter does not take effect or ceases to be imposed, any moneys remaining in the fund shall be refunded to skilled nursing facilities in proportion to the amounts paid by such facilities.

NEW SECTION. Sec. 19. ASSESSMENT PART OF OPERATING OVERHEAD. The incidence and burden of assessments imposed under this

chapter shall be on skilled nursing facilities and the expense associated with the assessments shall constitute a part of the operating overhead of the facilities. Skilled nursing facilities shall not itemize the safety net assessment on billings to residents or third-party payers.

NEW SECTION. Sec. 20. ENFORCEMENT. If a nursing facility fails to make timely payment of the safety net assessment, the department may seek a remedy provided by law, including, but not limited to:

- (1) Withholding any medical assistance reimbursement payments until such time as the assessment amount is recovered;
- (2) Suspension or revocation of the nursing facility license; or
- (3) Imposition of a civil fine up to one thousand dollars per day for each delinquent payment, not to exceed the amount of the assessment.

NEW SECTION. Sec. 21. QUALITY INCENTIVE PAYMENTS. (1) The department and the department of health, in consultation with the Washington state health care association, and aging services of Washington, shall design a system of skilled nursing facility quality incentive payments. The design of the system shall be submitted to the relevant policy and fiscal committees of the legislature by December 15, 2011. The system shall be based upon the following principles:

(a) Evidence-based treatment and processes shall be used to improve health care outcomes for skilled nursing facility residents;

(b) Effective purchasing strategies to improve the quality of health care services should involve the use of common quality improvement measures, while recognizing that some measures may not be appropriate for application to facilities with high bariatric, behaviorally challenged, or rehabilitation populations;

(c) Quality measures chosen for the system should be consistent with the standards that have been developed by national quality improvement organizations, such as the national quality forum, the federal centers for medicare and medicaid services, or the federal agency for healthcare research and quality. New reporting burdens to skilled nursing facilities should be minimized by giving priority to measures skilled nursing facilities that are currently required to report to governmental agencies, such as the nursing home compare measures collected by the federal centers for medicare and medicaid services;

(d) Benchmarks for each quality improvement measure should be set at levels that are feasible for skilled nursing facilities to achieve, yet represent real improvements in quality and performance for a majority of skilled nursing facilities in Washington state; and

(e) Skilled nursing facilities performance and incentive payments should be designed in a manner such that all facilities in Washington are able to receive the incentive payments if performance is at or above the benchmark score set in the system established under this section.

(2) Pursuant to an appropriation by the legislature, for state fiscal year 2013 and each fiscal year thereafter, assessments may be increased to support an additional one percent increase in skilled nursing facility reimbursement rates for facilities that meet the quality incentive benchmarks established under this section.

Sec. 22. RCW 43.84.092 and 2010 1st sp.s. c 30 s 20, 2010 1st sp.s. c 9 s 7, 2010 c 248 s 6, 2010 c 222 s 5, 2010 c 162 s 6, and 2010 c 145 s 11 are each reenacted and amended to read as follows:

(1) All earnings of investments of surplus balances in the state treasury shall be deposited to the treasury income account, which account is hereby established in the state treasury.

(2) The treasury income account shall be utilized to pay or receive funds associated with federal programs as required by the federal cash management improvement act of 1990. The treasury income account is subject in all respects to chapter 43.88 RCW, but no appropriation is required for refunds or allocations of interest earnings required by the cash management improvement act. Refunds of interest to the federal treasury required under the cash management improvement act fall under RCW 43.88.180 and shall not require appropriation. The office of financial management shall determine the amounts due to or from the federal government pursuant to the cash management improvement act. The office of financial management may direct transfers of funds between accounts as deemed necessary to implement the provisions of the cash management improvement act, and this subsection. Refunds or allocations shall occur prior to the distributions of earnings set forth in subsection (4) of this section.

(3) Except for the provisions of RCW 43.84.160, the treasury income account may be utilized for the payment of purchased banking services on behalf of treasury funds including, but not limited to, depository, safekeeping, and disbursement functions for the state treasury and affected state agencies. The treasury income account is subject in all respects to chapter 43.88 RCW, but no appropriation is required for payments to financial institutions. Payments shall occur prior to distribution of earnings set forth in subsection (4) of this section.

(4) Monthly, the state treasurer shall distribute the earnings credited to the treasury income account. The state treasurer shall credit the general fund with all the earnings credited to the treasury income account except:

(a) The following accounts and funds shall receive their proportionate share of earnings based upon each account's and fund's average daily balance for the period: The aeronautics account, the aircraft search and rescue account, the budget stabilization account, the capitol building construction account, the Cedar River channel construction and operation account, the Central Washington University capital projects account, the charitable, educational, penal and reformatory institutions account, the cleanup settlement account, the Columbia river basin water supply development account, the common school construction fund, the county arterial preservation account, the county criminal justice assistance account, the county sales and use tax equalization account, the deferred compensation administrative account, the deferred compensation principal account, the department of licensing services account, the department of retirement systems expense account, the developmental disabilities community trust account, the drinking water assistance account, the drinking water assistance administrative account, the drinking water assistance repayment account, the Eastern Washington University capital projects account, the education construction fund, the education legacy trust account, the election account, the energy freedom account, the energy recovery act account, the essential rail assistance account, The Evergreen State College capital projects account, the federal forest revolving account, the ferry bond retirement fund, the

freight congestion relief account, the freight mobility investment account, the freight mobility multimodal account, the grade crossing protective fund, the public health services account, the health system capacity account, the high capacity transportation account, the state higher education construction account, the higher education construction account, the highway bond retirement fund, the highway infrastructure account, the highway safety account, the high occupancy toll lanes operations account, the hospital safety net assessment fund, the industrial insurance premium refund account, the judges' retirement account, the judicial retirement administrative account, the judicial retirement principal account, the local leasehold excise tax account, the local real estate excise tax account, the local sales and use tax account, the marine resources stewardship trust account, the medical aid account, the mobile home park relocation fund, the motor vehicle fund, the motorcycle safety education account, the multiagency permitting team account, the multimodal transportation account, the municipal criminal justice assistance account, the municipal sales and use tax equalization account, the natural resources deposit account, the oyster reserve land account, the pension funding stabilization account, the perpetual surveillance and maintenance account, the public employees' retirement system plan 1 account, the public employees' retirement system combined plan 2 and plan 3 account, the public facilities construction loan revolving account beginning July 1, 2004, the public health supplemental account, the public transportation systems account, the public works assistance account, the Puget Sound capital construction account, the Puget Sound ferry operations account, the Puyallup tribal settlement account, the real estate appraiser commission account, the recreational vehicle account, the regional mobility grant program account, the resource management cost account, the rural arterial trust account, the rural Washington loan fund, the site closure account, the skilled nursing facility safety net trust fund, the small city pavement and sidewalk account, the special category C account, the special wildlife account, the state employees' insurance account, the state employees' insurance reserve account, the state investment board expense account, the state investment board commingled trust fund accounts, the state patrol highway account, the state route number 520 civil penalties account, the state route number 520 corridor account, the supplemental pension account, the Tacoma Narrows toll bridge account, the teachers' retirement system plan 1 account, the teachers' retirement system combined plan 2 and plan 3 account, the tobacco prevention and control account, the tobacco settlement account, the transportation 2003 account (nickel account), the transportation equipment fund, the transportation fund, the transportation improvement account, the transportation improvement board bond retirement account, the transportation infrastructure account, the transportation partnership account, the traumatic brain injury account, the tuition recovery trust fund, the University of Washington bond retirement fund, the University of Washington building account, the urban arterial trust account, the volunteer firefighters' and reserve officers' relief and pension principal fund, the volunteer firefighters' and reserve officers' administrative fund, the Washington judicial retirement system account, the Washington law enforcement officers' and firefighters' system plan 1 retirement account, the Washington law enforcement officers' and firefighters' system plan 2 retirement account, the Washington public safety employees' plan 2 retirement account, the Washington school employees' retirement system

combined plan 2 and 3 account, the Washington state health insurance pool account, the Washington state patrol retirement account, the Washington State University building account, the Washington State University bond retirement fund, the water pollution control revolving fund, and the Western Washington University capital projects account. Earnings derived from investing balances of the agricultural permanent fund, the normal school permanent fund, the permanent common school fund, the scientific permanent fund, and the state university permanent fund shall be allocated to their respective beneficiary accounts.

(b) Any state agency that has independent authority over accounts or funds not statutorily required to be held in the state treasury that deposits funds into a fund or account in the state treasury pursuant to an agreement with the office of the state treasurer shall receive its proportionate share of earnings based upon each account's or fund's average daily balance for the period.

(5) In conformance with Article II, section 37 of the state Constitution, no treasury accounts or funds shall be allocated earnings without the specific affirmative directive of this section.

NEW SECTION. Sec. 23. RCW 74.46.433 (Variable return component rate allocation) and 2010 1st sp.s. c 34 s 4, 2006 c 258 s 3, 2001 1st sp.s. c 8 s 6, & 1999 c 353 s 9 are each repealed.

NEW SECTION. Sec. 24. Except as provided in section 18 of this act, 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.

NEW SECTION. Sec. 25. Sections 12 through 21 and 24 of this act constitute a new chapter in Title 74 RCW.

NEW SECTION. Sec. 26. This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and takes effect July 1, 2011.

Passed by the Senate May 11, 2011.

Passed by the House May 17, 2011.

Approved by the Governor May 31, 2011.

Filed in Office of Secretary of State June 1, 2011.

CHAPTER 8

[Second Engrossed Senate Bill 5773]

HEALTH SAVINGS ACCOUNT—HIGH DEDUCTIBLE HEALTH PLANS— DIRECT PRACTICES—PUBLIC EMPLOYEES

AN ACT Relating to making a health savings account option and high deductible health plan option and a direct patient-provider primary care practice option available to public employees; amending RCW 41.05.065; and adding a new section to chapter 41.05 RCW.

Be it enacted by the Legislature of the State of Washington:

Sec. 1. RCW 41.05.065 and 2009 c 537 s 7 are each amended to read as follows:

(1) The board shall study all matters connected with the provision of health care coverage, life insurance, liability insurance, accidental death and

dismemberment insurance, and disability income insurance or any of, or a combination of, the enumerated types of insurance for employees and their dependents on the best basis possible with relation both to the welfare of the employees and to the state. However, liability insurance shall not be made available to dependents.

(2) The board shall develop employee benefit plans that include comprehensive health care benefits for employees. In developing these plans, the board shall consider the following elements:

(a) Methods of maximizing cost containment while ensuring access to quality health care;

(b) Development of provider arrangements that encourage cost containment and ensure access to quality care, including but not limited to prepaid delivery systems and prospective payment methods;

(c) Wellness incentives that focus on proven strategies, such as smoking cessation, injury and accident prevention, reduction of alcohol misuse, appropriate weight reduction, exercise, automobile and motorcycle safety, blood cholesterol reduction, and nutrition education;

(d) Utilization review procedures including, but not limited to a cost-efficient method for prior authorization of services, hospital inpatient length of stay review, requirements for use of outpatient surgeries and second opinions for surgeries, review of invoices or claims submitted by service providers, and performance audit of providers;

(e) Effective coordination of benefits; and

(f) Minimum standards for insuring entities.

(3) To maintain the comprehensive nature of employee health care benefits, benefits provided to employees shall be substantially equivalent to the state employees' health benefits plan in effect on January 1, 1993. Nothing in this subsection shall prohibit changes or increases in employee point-of-service payments or employee premium payments for benefits or the administration of a high deductible health plan in conjunction with a health savings account. The board may establish employee eligibility criteria which are not substantially equivalent to employee eligibility criteria in effect on January 1, 1993.

(4) Except if bargained for under chapter 41.80 RCW, the board shall design benefits and determine the terms and conditions of employee and retired employee participation and coverage, including establishment of eligibility criteria subject to the requirements of this chapter. Employer groups obtaining benefits through contractual agreement with the authority for employees defined in RCW 41.05.011(6) (a) through (d) may contractually agree with the authority to benefits eligibility criteria which differs from that determined by the board. The eligibility criteria established by the board shall be no more restrictive than the following:

(a) Except as provided in (b) through (e) of this subsection, an employee is eligible for benefits from the date of employment if the employing agency anticipates he or she will work an average of at least eighty hours per month and for at least eight hours in each month for more than six consecutive months. An employee determined ineligible for benefits at the beginning of his or her employment shall become eligible in the following circumstances:

(i) An employee who works an average of at least eighty hours per month and for at least eight hours in each month and whose anticipated duration of

employment is revised from less than or equal to six consecutive months to more than six consecutive months becomes eligible when the revision is made.

(ii) An employee who works an average of at least eighty hours per month over a period of six consecutive months and for at least eight hours in each of those six consecutive months becomes eligible at the first of the month following the six-month averaging period.

(b) A seasonal employee is eligible for benefits from the date of employment if the employing agency anticipates that he or she will work an average of at least eighty hours per month and for at least eight hours in each month of the season. A seasonal employee determined ineligible at the beginning of his or her employment who works an average of at least half-time, as defined by the board, per month over a period of six consecutive months and at least eight hours in each of those six consecutive months becomes eligible at the first of the month following the six-month averaging period. A benefits-eligible seasonal employee who works a season of less than nine months shall not be eligible for the employer contribution during the off season, but may continue enrollment in benefits during the off season by self-paying for the benefits. A benefits-eligible seasonal employee who works a season of nine months or more is eligible for the employer contribution through the off season following each season worked.

(c) Faculty are eligible as follows:

(i) Faculty who the employing agency anticipates will work half-time or more for the entire instructional year or equivalent nine-month period are eligible for benefits from the date of employment. Eligibility shall continue until the beginning of the first full month of the next instructional year, unless the employment relationship is terminated, in which case eligibility shall cease the first month following the notice of termination or the effective date of the termination, whichever is later.

(ii) Faculty who the employing agency anticipates will not work for the entire instructional year or equivalent nine-month period are eligible for benefits at the beginning of the second consecutive quarter or semester of employment in which he or she is anticipated to work, or has actually worked, half-time or more. Such an employee shall continue to receive uninterrupted employer contributions for benefits if the employee works at least half-time in a quarter or semester. Faculty who the employing agency anticipates will not work for the entire instructional year or equivalent nine-month period, but who actually work half-time or more throughout the entire instructional year, are eligible for summer or off-quarter coverage. Faculty who have met the criteria of this subsection (4)(c)(ii), who work at least two quarters of the academic year with an average academic year workload of half-time or more for three quarters of the academic year, and who have worked an average of half-time or more in each of the two preceding academic years shall continue to receive uninterrupted employer contributions for benefits if he or she works at least half-time in a quarter or semester or works two quarters of the academic year with an average academic workload each academic year of half-time or more for three quarters. Eligibility under this section ceases immediately if this criteria is not met.

(iii) Faculty may establish or maintain eligibility for benefits by working for more than one institution of higher education. When faculty work for more than one institution of higher education, those institutions shall prorate the employer

contribution costs, or if eligibility is reached through one institution, that institution will pay the full employer contribution. Faculty working for more than one institution must alert his or her employers to his or her potential eligibility in order to establish eligibility.

(iv) The employing agency must provide written notice to faculty who are potentially eligible for benefits under this subsection (4)(c) of their potential eligibility.

(v) To be eligible for maintenance of benefits through averaging under (c)(ii) of this subsection, faculty must provide written notification to his or her employing agency or agencies of his or her potential eligibility.

(d) A legislator is eligible for benefits on the date his or her term begins. All other elected and full-time appointed officials of the legislative and executive branches of state government are eligible for benefits on the date his or her term begins or they take the oath of office, whichever occurs first.

(e) A justice of the supreme court and judges of the court of appeals and the superior courts become eligible for benefits on the date he or she takes the oath of office.

(f) Except as provided in (c)(i) and (ii) of this subsection, eligibility ceases for any employee the first of the month following termination of the employment relationship.

(g) In determining eligibility under this section, the employing agency may disregard training hours, standby hours, or temporary changes in work hours as determined by the authority under this section.

(h) Insurance coverage for all eligible employees begins on the first day of the month following the date when eligibility for benefits is established. If the date eligibility is established is the first working day of a month, insurance coverage begins on that date.

(i) Eligibility for an employee whose work circumstances are described by more than one of the eligibility categories in (a) through (e) of this subsection shall be determined solely by the criteria of the category that most closely describes the employee's work circumstances.

(j) Except for an employee eligible for benefits under (b) or (c)(ii) of this subsection, an employee who has established eligibility for benefits under this section shall remain eligible for benefits each month in which he or she is in pay status for eight or more hours, if (i) he or she remains in a benefits-eligible position and (ii) leave from the benefits-eligible position is approved by the employing agency. A benefits-eligible seasonal employee is eligible for the employer contribution in any month of his or her season in which he or she is in pay status eight or more hours during that month. Eligibility ends if these conditions are not met, the employment relationship is terminated, or the employee voluntarily transfers to a noneligible position.

(k) For the purposes of this subsection:

(i) "Academic year" means summer, fall, winter, and spring quarters or semesters;

(ii) "Half-time" means one-half of the full-time academic workload as determined by each institution, except that half-time for community and technical college faculty employees shall have the same meaning as "part-time" under RCW 28B.50.489;

(iii) "Benefits-eligible position" shall be defined by the board.

(5) The board may authorize premium contributions for an employee and the employee's dependents in a manner that encourages the use of cost-efficient managed health care systems.

(6)(a) For any open enrollment period following the effective date of this section, the board shall ((develop)) offer a health savings account option for employees that conforms to section 223, Part VII of subchapter B of chapter 1 of the internal revenue code of 1986. The board shall comply with all applicable federal standards related to the establishment of health savings accounts.

(b) By November 30, 2015, and each year thereafter, the authority shall submit a report to the relevant legislative policy and fiscal committees that includes the following:

(i) Public employees' benefits board health plan cost and service utilization trends for the previous three years, in total and for each health plan offered to employees;

(ii) For each health plan offered to employees, the number and percentage of employees and dependents enrolled in the plan, and the age and gender demographics of enrollees in each plan;

(iii) Any impact of enrollment in alternatives to the most comprehensive plan, including the high deductible health plan with a health savings account, upon the cost of health benefits for those employees who have chosen to remain enrolled in the most comprehensive plan.

(7) Notwithstanding any other provision of this chapter, for any open enrollment period following the effective date of this section, the board shall ((develop)) offer a high deductible health plan ((to be offered)) in conjunction with a health savings account developed under subsection (6) of this section.

(8) Employees shall choose participation in one of the health care benefit plans developed by the board and may be permitted to waive coverage under terms and conditions established by the board.

(9) The board shall review plans proposed by insuring entities that desire to offer property insurance and/or accident and casualty insurance to state employees through payroll deduction. The board may approve any such plan for payroll deduction by insuring entities holding a valid certificate of authority in the state of Washington and which the board determines to be in the best interests of employees and the state. The board shall adopt rules setting forth criteria by which it shall evaluate the plans.

(10) Before January 1, 1998, the public employees' benefits board shall make available one or more fully insured long-term care insurance plans that comply with the requirements of chapter 48.84 RCW. Such programs shall be made available to eligible employees, retired employees, and retired school employees as well as eligible dependents which, for the purpose of this section, includes the parents of the employee or retiree and the parents of the spouse of the employee or retiree. Employees of local governments, political subdivisions, and tribal governments not otherwise enrolled in the public employees' benefits board sponsored medical programs may enroll under terms and conditions established by the administrator, if it does not jeopardize the financial viability of the public employees' benefits board's long-term care offering.

(a) Participation of eligible employees or retired employees and retired school employees in any long-term care insurance plan made available by the public employees' benefits board is voluntary and shall not be subject to binding

arbitration under chapter 41.56 RCW. Participation is subject to reasonable underwriting guidelines and eligibility rules established by the public employees' benefits board and the health care authority.

(b) The employee, retired employee, and retired school employee are solely responsible for the payment of the premium rates developed by the health care authority. The health care authority is authorized to charge a reasonable administrative fee in addition to the premium charged by the long-term care insurer, which shall include the health care authority's cost of administration, marketing, and consumer education materials prepared by the health care authority and the office of the insurance commissioner.

(c) To the extent administratively possible, the state shall establish an automatic payroll or pension deduction system for the payment of the long-term care insurance premiums.

(d) The public employees' benefits board and the health care authority shall establish a technical advisory committee to provide advice in the development of the benefit design and establishment of underwriting guidelines and eligibility rules. The committee shall also advise the board and authority on effective and cost-effective ways to market and distribute the long-term care product. The technical advisory committee shall be comprised, at a minimum, of representatives of the office of the insurance commissioner, providers of long-term care services, licensed insurance agents with expertise in long-term care insurance, employees, retired employees, retired school employees, and other interested parties determined to be appropriate by the board.

(e) The health care authority shall offer employees, retired employees, and retired school employees the option of purchasing long-term care insurance through licensed agents or brokers appointed by the long-term care insurer. The authority, in consultation with the public employees' benefits board, shall establish marketing procedures and may consider all premium components as a part of the contract negotiations with the long-term care insurer.

(f) In developing the long-term care insurance benefit designs, the public employees' benefits board shall include an alternative plan of care benefit, including adult day services, as approved by the office of the insurance commissioner.

(g) The health care authority, with the cooperation of the office of the insurance commissioner, shall develop a consumer education program for the eligible employees, retired employees, and retired school employees designed to provide education on the potential need for long-term care, methods of financing long-term care, and the availability of long-term care insurance products including the products offered by the board.

(11) The board may establish penalties to be imposed by the authority when the eligibility determinations of an employing agency fail to comply with the criteria under this chapter.

NEW SECTION. Sec. 2. A new section is added to chapter 41.05 RCW to read as follows:

(1) The Washington state health care authority shall develop a plan to incorporate direct patient-provider primary care practices as provided in chapter 48.150 RCW into one or more of the choices of health benefit programs made available to participants in the public employees' benefits board system

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beginning no later than the open enrollment period beginning November 1, 2012.

(2) The plan will be developed in consultation with the board and interested parties, will identify statutory barriers to implementation, and will include proposed legislation to address those barriers and implement the plan. The plan will be submitted to the board and to the house of representatives and senate health care committees by December 1, 2011.

Passed by the Senate May 16, 2011.

Passed by the House May 10, 2011.

Approved by the Governor May 31, 2011.

Filed in Office of Secretary of State June 1, 2011.

CHAPTER 9

[Engrossed Substitute Senate Bill 5927]

STATE HEALTH CARE—LOW-INCOME ENROLLEES

AN ACT Relating to limiting payments for health care services provided to low-income enrollees in state purchased health care programs; amending RCW 70.47.100; reenacting and amending RCW 74.09.522 and 70.47.020; adding a new section to chapter 70.47 RCW; creating a new section; and providing expiration dates.

Be it enacted by the Legislature of the State of Washington:

NEW SECTION. Sec. 1. (1) The legislature finds that:

(a) There is an increasing level of dispute and uncertainty regarding the amount of payment nonparticipating providers may receive for health care services provided to enrollees of state purchased health care programs designed to serve low-income individuals and families, such as basic health and the medicaid managed care programs;

(b) The dispute has resulted in litigation, including a recent Washington superior court ruling that determined nonparticipating providers were entitled to receive billed charges from a managed health care system for services provided to medicaid and basic health plan enrollees. The decision would allow a nonparticipating provider to demand and receive payment in an amount exceeding the payment managed health care system network providers receive for the same services. Similar provider lawsuits have now been filed in other jurisdictions in the state;

(c) In the biennial operating budget, the legislature has previously indicated its intent that payment to nonparticipating providers for services provided to medicaid managed care enrollees should be limited to amounts paid to medicaid fee-for-service providers. The duration of these provisions is limited to the period during which the operating budget is in effect. A more permanent resolution of these issues is needed; and

(d) Continued failure to resolve this dispute will have adverse impacts on state purchased health care programs serving low-income enrollees, including:

(i) Diminished ability for the state to negotiate cost-effective contracts with managed health care systems; (ii) a potential for significant reduction in the willingness of providers to participate in managed health care system provider networks; (iii) a reduction in providers participating in the managed health care systems; and (iv) increased exposure for program enrollees to balance billing practices by nonparticipating providers. Ultimately, fewer eligible people will

get the care they need as state purchased health care programs will operate with less efficiency and reduced access to cost-effective and quality health care coverage for program enrollees.

(2) It is the intent of the legislature to create a legislative solution that reduces the cost borne by the state to provide public health care coverage to low-income enrollees in managed health care systems, protects enrollees and state purchased health care programs from balance billing by nonparticipating providers, provides appropriate payment to health care providers for services provided to enrollees of state purchased health care programs, and limits the risk for managed health care systems that contract with the state programs.

Sec. 2. RCW 74.09.522 and 1997 c 59 s 15 and 1997 c 34 s 1 are each reenacted and amended to read as follows:

(1) For the purposes of this section((:)):;

(a) "Managed health care system" means any health care organization, including health care providers, insurers, health care service contractors, health maintenance organizations, health insuring organizations, or any combination thereof, that provides directly or by contract health care services covered under ~~((RCW 74.09.520))~~ this chapter and rendered by licensed providers, on a prepaid capitated basis and that meets the requirements of section 1903(m)(1)(A) of Title XIX of the federal social security act or federal demonstration waivers granted under section 1115(a) of Title XI of the federal social security act;

(b) "Nonparticipating provider" means a person, health care provider, practitioner, facility, or entity, acting within their scope of practice, that does not have a written contract to participate in a managed health care system's provider network, but provides health care services to enrollees of programs authorized under this chapter whose health care services are provided by the managed health care system.

(2) The department of social and health services shall enter into agreements with managed health care systems to provide health care services to recipients of temporary assistance for needy families under the following conditions:

(a) Agreements shall be made for at least thirty thousand recipients statewide;

(b) Agreements in at least one county shall include enrollment of all recipients of temporary assistance for needy families;

(c) To the extent that this provision is consistent with section 1903(m) of Title XIX of the federal social security act or federal demonstration waivers granted under section 1115(a) of Title XI of the federal social security act, recipients shall have a choice of systems in which to enroll and shall have the right to terminate their enrollment in a system: PROVIDED, That the department may limit recipient termination of enrollment without cause to the first month of a period of enrollment, which period shall not exceed twelve months: AND PROVIDED FURTHER, That the department shall not restrict a recipient's right to terminate enrollment in a system for good cause as established by the department by rule;

(d) To the extent that this provision is consistent with section 1903(m) of Title XIX of the federal social security act, participating managed health care systems shall not enroll a disproportionate number of medical assistance recipients within the total numbers of persons served by the managed health care systems, except as authorized by the department under federal demonstration

waivers granted under section 1115(a) of Title XI of the federal social security act;

(e) In negotiating with managed health care systems the department shall adopt a uniform procedure to negotiate and enter into contractual arrangements, including standards regarding the quality of services to be provided; and financial integrity of the responding system;

(f) The department shall seek waivers from federal requirements as necessary to implement this chapter;

(g) The department shall, wherever possible, enter into prepaid capitation contracts that include inpatient care. However, if this is not possible or feasible, the department may enter into prepaid capitation contracts that do not include inpatient care;

(h) The department shall define those circumstances under which a managed health care system is responsible for out-of-plan services and assure that recipients shall not be charged for such services; and

(i) Nothing in this section prevents the department from entering into similar agreements for other groups of people eligible to receive services under this chapter.

(3) The department shall ensure that publicly supported community health centers and providers in rural areas, who show serious intent and apparent capability to participate as managed health care systems are seriously considered as contractors. The department shall coordinate its managed care activities with activities under chapter 70.47 RCW.

(4) The department shall work jointly with the state of Oregon and other states in this geographical region in order to develop recommendations to be presented to the appropriate federal agencies and the United States congress for improving health care of the poor, while controlling related costs.

(5) The legislature finds that competition in the managed health care marketplace is enhanced, in the long term, by the existence of a large number of managed health care system options for medicaid clients. In a managed care delivery system, whose goal is to focus on prevention, primary care, and improved enrollee health status, continuity in care relationships is of substantial importance, and disruption to clients and health care providers should be minimized. To help ensure these goals are met, the following principles shall guide the department in its healthy options managed health care purchasing efforts:

(a) All managed health care systems should have an opportunity to contract with the department to the extent that minimum contracting requirements defined by the department are met, at payment rates that enable the department to operate as far below appropriated spending levels as possible, consistent with the principles established in this section.

(b) Managed health care systems should compete for the award of contracts and assignment of medicaid beneficiaries who do not voluntarily select a contracting system, based upon:

(i) Demonstrated commitment to or experience in serving low-income populations;

(ii) Quality of services provided to enrollees;

(iii) Accessibility, including appropriate utilization, of services offered to enrollees;

(iv) Demonstrated capability to perform contracted services, including ability to supply an adequate provider network;

(v) Payment rates; and

(vi) The ability to meet other specifically defined contract requirements established by the department, including consideration of past and current performance and participation in other state or federal health programs as a contractor.

(c) Consideration should be given to using multiple year contracting periods.

(d) Quality, accessibility, and demonstrated commitment to serving low-income populations shall be given significant weight in the contracting, evaluation, and assignment process.

(e) All contractors that are regulated health carriers must meet state minimum net worth requirements as defined in applicable state laws. The department shall adopt rules establishing the minimum net worth requirements for contractors that are not regulated health carriers. This subsection does not limit the authority of the department to take action under a contract upon finding that a contractor's financial status seriously jeopardizes the contractor's ability to meet its contract obligations.

(f) Procedures for resolution of disputes between the department and contract bidders or the department and contracting carriers related to the award of, or failure to award, a managed care contract must be clearly set out in the procurement document. In designing such procedures, the department shall give strong consideration to the negotiation and dispute resolution processes used by the Washington state health care authority in its managed health care contracting activities.

(6) The department may apply the principles set forth in subsection (5) of this section to its managed health care purchasing efforts on behalf of clients receiving supplemental security income benefits to the extent appropriate.

(7) A managed health care system shall pay a nonparticipating provider that provides a service covered under this chapter to the system's enrollee no more than the lowest amount paid for that service under the managed health care system's contracts with similar providers in the state.

(8) For services covered under this chapter to medical assistance or medical care services enrollees and provided on or after the effective date of this section, nonparticipating providers must accept as payment in full the amount paid by the managed health care system under subsection (7) of this section in addition to any deductible, coinsurance, or copayment that is due from the enrollee for the service provided. An enrollee is not liable to any nonparticipating provider for covered services, except for amounts due for any deductible, coinsurance, or copayment under the terms and conditions set forth in the managed health care system contract to provide services under this section.

(9) Pursuant to federal managed care access standards, 42 C.F.R. Sec. 438, managed health care systems must maintain a network of appropriate providers that is supported by written agreements sufficient to provide adequate access to all services covered under the contract with the department, including hospital-based physician services. The department will monitor and periodically report on the proportion of services provided by contracted providers and nonparticipating providers, by county, for each managed health care system to

ensure that managed health care systems are meeting network adequacy requirements. No later than January 1st of each year, the department will review and report its findings to the appropriate policy and fiscal committees of the legislature for the preceding state fiscal year.

(10) Subsections (7) through (9) of this section expire July 1, 2016.

Sec. 3. RCW 70.47.020 and 2011 c 205 s 1 are each reenacted and amended to read as follows:

As used in this chapter:

(1) "Administrator" means the Washington basic health plan administrator, who also holds the position of administrator of the Washington state health care authority.

(2) "Health coverage tax credit eligible enrollee" means individual workers and their qualified family members who lose their jobs due to the effects of international trade and are eligible for certain trade adjustment assistance benefits; or are eligible for benefits under the alternative trade adjustment assistance program; or are people who receive benefits from the pension benefit guaranty corporation and are at least fifty-five years old.

(3) "Health coverage tax credit program" means the program created by the Trade Act of 2002 (P.L. 107-210) that provides a federal tax credit that subsidizes private health insurance coverage for displaced workers certified to receive certain trade adjustment assistance benefits and for individuals receiving benefits from the pension benefit guaranty corporation.

(4) "Managed health care system" means: (a) Any health care organization, including health care providers, insurers, health care service contractors, health maintenance organizations, or any combination thereof, that provides directly or by contract basic health care services, as defined by the administrator and rendered by duly licensed providers, to a defined patient population enrolled in the plan and in the managed health care system; or (b) a self-funded or self-insured method of providing insurance coverage to subsidized enrollees provided under RCW 41.05.140 and subject to the limitations under RCW 70.47.100(~~(7)~~) (9).

(5) "Nonparticipating provider" means a person, health care provider, practitioner, facility, or entity, acting within their authorized scope of practice or licensure, that does not have a written contract to participate in a managed health care system's provider network, but provides services to plan enrollees who receive coverage through the managed health care system.

(6) "Nonsubsidized enrollee" means an individual, or an individual plus the individual's spouse or dependent children: (a) Who is not eligible for medicare; (b) who is not confined or residing in a government-operated institution, unless he or she meets eligibility criteria adopted by the administrator; (c) who is accepted for enrollment by the administrator as provided in RCW 48.43.018, either because the potential enrollee cannot be required to complete the standard health questionnaire under RCW 48.43.018, or, based upon the results of the standard health questionnaire, the potential enrollee would not qualify for coverage under the Washington state health insurance pool; (d) who resides in an area of the state served by a managed health care system participating in the plan; (e) who chooses to obtain basic health care coverage from a particular managed health care system; and (f) who pays or on whose behalf is paid the full costs for participation in the plan, without any subsidy from the plan.

~~((6))~~ (7) "Premium" means a periodic payment, which an individual, their employer or another financial sponsor makes to the plan as consideration for enrollment in the plan as a subsidized enrollee, a nonsubsidized enrollee, or a health coverage tax credit eligible enrollee.

~~((7))~~ (8) "Rate" means the amount, negotiated by the administrator with and paid to a participating managed health care system, that is based upon the enrollment of subsidized, nonsubsidized, and health coverage tax credit eligible enrollees in the plan and in that system.

~~((8))~~ (9) "Subsidy" means the difference between the amount of periodic payment the administrator makes to a managed health care system on behalf of a subsidized enrollee plus the administrative cost to the plan of providing the plan to that subsidized enrollee, and the amount determined to be the subsidized enrollee's responsibility under RCW 70.47.060(2).

~~((9))~~ (10) "Subsidized enrollee" means:

(a) An individual, or an individual plus the individual's spouse or dependent children:

(i) Who is not eligible for medicare;

(ii) Who is not confined or residing in a government-operated institution, unless he or she meets eligibility criteria adopted by the administrator;

(iii) Who is not a full-time student who has received a temporary visa to study in the United States;

(iv) Who resides in an area of the state served by a managed health care system participating in the plan;

(v) Until March 1, 2011, whose gross family income at the time of enrollment does not exceed two hundred percent of the federal poverty level as adjusted for family size and determined annually by the federal department of health and human services;

(vi) Who chooses to obtain basic health care coverage from a particular managed health care system in return for periodic payments to the plan;

(vii) Who is not receiving medical assistance administered by the department of social and health services; and

(viii) After February 28, 2011, who is in the basic health transition eligibles population under 1115 medicaid demonstration project number 11-W-00254/10;

(b) An individual who meets the requirements in (a)(i) through (iv), (vi), and (vii) of this subsection and who is a foster parent licensed under chapter 74.15 RCW and whose gross family income at the time of enrollment does not exceed three hundred percent of the federal poverty level as adjusted for family size and determined annually by the federal department of health and human services; and

(c) To the extent that state funds are specifically appropriated for this purpose, with a corresponding federal match, an individual, or an individual's spouse or dependent children, who meets the requirements in (a)(i) through (iv), (vi), and (vii) of this subsection and whose gross family income at the time of enrollment is more than two hundred percent, but less than two hundred fifty-one percent, of the federal poverty level as adjusted for family size and determined annually by the federal department of health and human services.

~~((10))~~ (11) "Washington basic health plan" or "plan" means the system of enrollment and payment for basic health care services, administered by the plan

administrator through participating managed health care systems, created by this chapter.

Sec. 4. RCW 70.47.100 and 2009 c 568 s 5 are each amended to read as follows:

(1) A managed health care system participating in the plan shall do so by contract with the administrator and shall provide, directly or by contract with other health care providers, covered basic health care services to each enrollee covered by its contract with the administrator as long as payments from the administrator on behalf of the enrollee are current. A participating managed health care system may offer, without additional cost, health care benefits or services not included in the schedule of covered services under the plan. A participating managed health care system shall not give preference in enrollment to enrollees who accept such additional health care benefits or services. Managed health care systems participating in the plan shall not discriminate against any potential or current enrollee based upon health status, sex, race, ethnicity, or religion. The administrator may receive and act upon complaints from enrollees regarding failure to provide covered services or efforts to obtain payment, other than authorized copayments, for covered services directly from enrollees, but nothing in this chapter empowers the administrator to impose any sanctions under Title 18 RCW or any other professional or facility licensing statute.

(2) A managed health care system shall pay a nonparticipating provider that provides a service covered under this chapter to the system's enrollee no more than the lowest amount paid for that service under the managed health care system's contracts with similar providers in the state.

(3) Pursuant to federal managed care access standards, 42 C.F.R. Sec. 438, managed health care systems must maintain a network of appropriate providers that is supported by written agreements sufficient to provide adequate access to all services covered under the contract with the authority, including hospital-based physician services. The authority will monitor and periodically report on the proportion of services provided by contracted providers and nonparticipating providers, by county, for each managed health care system to ensure that managed health care systems are meeting network adequacy requirements. No later than January 1st of each year, the authority will review and report its findings to the appropriate policy and fiscal committees of the legislature for the preceding state fiscal year.

(4) The plan shall allow, at least annually, an opportunity for enrollees to transfer their enrollments among participating managed health care systems serving their respective areas. The administrator shall establish a period of at least twenty days in a given year when this opportunity is afforded enrollees, and in those areas served by more than one participating managed health care system the administrator shall endeavor to establish a uniform period for such opportunity. The plan shall allow enrollees to transfer their enrollment to another participating managed health care system at any time upon a showing of good cause for the transfer.

~~((3))~~ (5) Prior to negotiating with any managed health care system, the administrator shall determine, on an actuarially sound basis, the reasonable cost of providing the schedule of basic health care services, expressed in terms of

upper and lower limits, and recognizing variations in the cost of providing the services through the various systems and in different areas of the state.

~~((4))~~ (6) In negotiating with managed health care systems for participation in the plan, the administrator shall adopt a uniform procedure that includes at least the following:

(a) The administrator shall issue a request for proposals, including standards regarding the quality of services to be provided; financial integrity of the responding systems; and responsiveness to the unmet health care needs of the local communities or populations that may be served;

(b) The administrator shall then review responsive proposals and may negotiate with respondents to the extent necessary to refine any proposals;

(c) The administrator may then select one or more systems to provide the covered services within a local area; and

(d) The administrator may adopt a policy that gives preference to respondents, such as nonprofit community health clinics, that have a history of providing quality health care services to low-income persons.

~~((5))~~ (7) The administrator may contract with a managed health care system to provide covered basic health care services to subsidized enrollees, nonsubsidized enrollees, health coverage tax credit eligible enrollees, or any combination thereof.

~~((6))~~ (8) The administrator may establish procedures and policies to further negotiate and contract with managed health care systems following completion of the request for proposal process in subsection ~~((4))~~ (6) of this section, upon a determination by the administrator that it is necessary to provide access, as defined in the request for proposal documents, to covered basic health care services for enrollees.

~~((7))~~ (9) The administrator may implement a self-funded or self-insured method of providing insurance coverage to subsidized enrollees, as provided under RCW 41.05.140. Prior to implementing a self-funded or self-insured method, the administrator shall ensure that funding available in the basic health plan self-insurance reserve account is sufficient for the self-funded or self-insured risk assumed, or expected to be assumed, by the administrator. If implementing a self-funded or self-insured method, the administrator may request funds to be moved from the basic health plan trust account or the basic health plan subscription account to the basic health plan self-insurance reserve account established in RCW 41.05.140.

(10) Subsections (2) and (3) of this section expire July 1, 2016.

NEW SECTION. Sec. 5. A new section is added to chapter 70.47 RCW to read as follows:

(1) For services provided to plan enrollees on or after the effective date of this section, nonparticipating providers must accept as payment in full the amount paid by the managed health care system under RCW 70.47.100(2) in addition to any deductible, coinsurance, or copayment that is due from the enrollee under the terms and conditions set forth in the managed health care system contract with the administrator. A plan enrollee is not liable to any nonparticipating provider for covered services, except for amounts due for any deductible, coinsurance, or copayment under the terms and conditions set forth in the managed health care system contract with the administrator.

(2) This section expires July 1, 2016.

NEW SECTION. Sec. 6. 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.

Passed by the Senate May 10, 2011.

Passed by the House May 9, 2011.

Approved by the Governor May 31, 2011.

Filed in Office of Secretary of State June 1, 2011.

CHAPTER 10

[Engrossed Second Substitute House Bill 1795]

HIGHER EDUCATION OPPORTUNITY ACT

AN ACT Relating to the higher education opportunity act; amending RCW 28B.15.031, 28B.15.067, 28B.15.0681, 28B.15.068, 28B.76.270, 28B.92.060, 28A.600.310, 39.29.011, 43.19.1906, 43.88.160, 43.03.220, 43.03.230, 43.03.240, 43.03.250, and 43.03.265; amending 2010 c 3 ss 602, 603, and 604 (uncodified); amending 2010 1st sp.s. c 37 s 901 (uncodified); amending 2010 c 1 s 8 (uncodified); adding new sections to chapter 28B.15 RCW; adding a new section to chapter 28B.10 RCW; adding a new section to chapter 28B.50 RCW; adding a new section to chapter 28B.76 RCW; adding a new section to chapter 44.28 RCW; creating new sections; repealing RCW 28B.10.920, 28B.10.921, and 28B.10.922; providing expiration dates; and declaring an emergency.

Be it enacted by the Legislature of the State of Washington:

NEW SECTION. Sec. 1. (1) The legislature finds that in the knowledge-based, globally interdependent economy of the twenty-first century, postsecondary education is the most indispensable form of currency. Public institutions of higher education are drivers of economic growth and job creation and incubators for innovation. An educated citizenry is a critical component of our democracy, and a commitment to provide public funding for public higher education institutions is imperative. At the same time, the legislature finds that Washington state is experiencing a profound structural shift in the funding of higher education. State support has declined dramatically over the past twenty years, thereby necessitating increases in tuition to supplant the support of higher education from general taxpayers. The problem faced by all stakeholders - students and their families, institutions, and policymakers - is a growing reliance on tuition dollars and a reduced reliance on state support. At the same time, there is insufficient visibility into the use of locally retained tuition dollars. There is little transparency regarding whether increasing tuition dollars gives students, their families, and Washington taxpayers a high-value return on investment. Responding to those concerns, and recognizing that tuition-setting authority is interrelated to a wide variety of factors including state funding, student aid, admissions, dual credit, educational effectiveness, regulatory and reporting requirements, and other policies and practices, this higher education opportunity act directs a number of higher education system reforms.

(2) It is the intent of the legislature to:

(a) Ensure that tuition dollars are spent to improve student access, affordability, and the quality of education;

(b) Establish a clear nexus between tuition dollars and improved productivity and greater accountability of public institutions of higher education;

(c) Create a modern and robust higher education financial system that funds outcomes and results rather than input and process; and

(d) Continue a commitment to public funding of higher education through state appropriations that are essential for providing access, affordability, and quality in higher education for all students across the state.

(3)(a) It is the intent of the legislature to set goals for four-year institutions of higher education to increase the number of students who earn baccalaureate degrees, while maintaining quality, and achieve the following initial degree completion targets by 2018:

(i) Increasing the number of bachelor's degrees earned by Washington's resident students from the 2009-10 academic year levels by at least six thousand degrees completed or by twenty-seven percent;

(ii) Consistent with the priority for expanding the number of enrollments and degrees in the fields of engineering, technology, biotechnology, sciences, computer sciences, and mathematics, at least two thousand of the additional degrees under this subsection (3)(a) would be awarded in the areas of science, which includes agriculture and natural resources, biology and biomedical sciences, computer and information sciences, engineering and engineering technologies, health professions and clinical sciences, mathematics and statistics, and physical sciences and science technologies; and

(iii) Attaining parity in degree attainment for students from underrepresented groups, which would mean that at least nineteen percent of the degrees awarded would include students who are low-income or are the first in their families to attend college.

(b) It is the intent of the legislature that the bachelor degree completion targets in (a) of this subsection be updated every two years based upon the state's changing population and economic needs and that targets be set for five-year periods following the 2018 target.

(c) It is the intent of the legislature to urge four-year institutions of higher education to place the highest priority on achieving the degree completion targets under (a) of this subsection. The legislature intends to examine the strategies used and progress made by institutions of higher education to meet the targets in addition to evidence of increased cost-effectiveness and efficiency. The legislature recognizes that individual institutions develop their campus goals recognizing the role of their campus as part of the system of public higher education and may implement a variety of innovative methods to achieve these goals.

Sec. 2. RCW 28B.15.031 and 2003 c 232 s 2 are each amended to read as follows:

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 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 ~~((three and one-half))~~ 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). Local operating fee accounts shall not be subject to appropriation by the legislature or allotment procedures under chapter 43.88 RCW.

Sec. 3. RCW 28B.15.067 and 2010 c 20 s 7 are each amended to read as follows:

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

(2) ~~((Beginning with the 2003-04 academic year and ending with the 2012-13 academic year, reductions or increases in full-time tuition fees for resident undergraduates shall be as provided in the omnibus appropriations act))~~ Beginning in the 2011-12 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. 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. 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)(a) Beginning with the ~~((2003-04))~~ 2011-12 academic year and ~~((ending with the 2012-13))~~ through the end of the 2014-15 academic year, the governing boards of the state universities, the 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 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.

(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. 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, ((each college in))~~ 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) ~~((Academic year tuition for full-time students at the state's institutions of higher education beginning with 2015-16, other than summer term, shall be as charged during the 2014-15 academic year unless different rates are adopted by the legislature))~~ Beginning with 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; and

(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.

(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) 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) 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) 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) ~~((For the academic years 2003-04 through 2008-09, the University of Washington shall use an amount equivalent to ten percent of all revenues received as a result of law school tuition increases beginning in academic year~~

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~~2000-01 through academic year 2008-09 to assist needy low and middle-income resident law students.~~

~~(9) For the academic years 2003-04 through 2008-09, institutions of higher education shall use an amount equivalent to ten percent of all revenues received as a result of graduate academic school tuition increases beginning in academic year 2003-04 through academic year 2008-09 to assist needy low and middle-income resident graduate academic students.~~

~~(10) Any tuition increases above seven percent shall fund costs of instruction, library and student services, utilities and maintenance, other costs related to instruction as well as institutional financial aid. Through 2010-11, any funding reductions to instruction, library and student services, utilities and maintenance and other costs related to instruction shall be proportionally less than other program areas including administration.)~~ 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.

Sec. 4. RCW 28B.15.0681 and 2009 c 215 s 6 are each amended to read as follows:

(1) In addition to the requirement in RCW 28B.76.300(4), institutions of higher education shall disclose to their undergraduate resident students on the tuition billing statement, in dollar figures for a full-time equivalent student:

- (a) The full cost of instruction;
- (b) The amount collected from student tuition and fees; and
- (c) The difference between the amounts for the full cost of instruction and the student tuition and fees.

(2) The tuition billing statement shall note that the difference between the cost and tuition under subsection (1)(c) of this section was paid by state tax funds and other moneys.

(3) Beginning in the 2010-11 academic year, the amount determined in subsection (1)(c) of this section shall be labeled an "opportunity pathway" on the tuition billing statement.

(4) Beginning in the 2010-11 academic year, institutions of higher education shall label financial aid awarded to resident undergraduate students as an "opportunity pathway" on the tuition billing statement or financial aid award notification. Aid granted to students outside of the financial aid package provided through the institution of higher education and loans provided by the federal government are not subject to the labeling provisions in this subsection. All other aid from all sources including federal, state, and local governments, local communities, nonprofit and for-profit organizations, and institutions of higher education must be included. The disclosure requirements specified in this section do not change the source, award amount, student eligibility, or student obligations associated with each award. Institutions of higher education retain the ability to customize their tuition billing statements to inform students of the assistance source, amount, and type so long as provisions of this section are also fulfilled.

(5) Institutions of higher education shall provide the following information to all undergraduate resident students either on the tuition billing statement or via a link to a web site detailing the following information:

(a) The sources of all institutional revenue received during the prior academic or fiscal year, including but not limited to state, federal, local, and private sources;

(b) The uses of tuition revenue collected during the prior academic or fiscal year by program category as determined by the office of financial management; and

(c) The accountability and performance data under RCW 28B.76.270.

(6) The tuition billing statement disclosures shall be in twelve-point type and boldface type where appropriate.

~~((6))~~ (7) All tuition billing statements or financial aid award notifications at institutions of higher education must notify resident undergraduate students of federal tax credits related to higher education for which they may be eligible.

NEW SECTION. Sec. 5. A new section is added to chapter 28B.15 RCW to read as follows:

(1) To ensure institutional quality, promote access, and advance the public mission of the state universities, the regional universities, and The Evergreen State College, the authority to increase or decrease tuition rates shall be considered within the context of performance-based measures and goals for each state university, regional university, and The Evergreen State College. By September 1, 2011, and September 1st every two years thereafter, the state universities, the regional universities, and The Evergreen State College shall each negotiate an institutional performance plan with the office of financial management that includes expected outcomes that must be achieved by each institution in the subsequent biennium.

(2) At a minimum, an individual institutional performance plan must include but is not limited to the following expected outcomes:

(a) Time and credits to degree;

(b) Retention and success of students from low-income, diverse, or underrepresented communities;

(c) Baccalaureate degree production for resident students; and

(d) Degree production in high-employer demand programs of study and critical state need areas.

NEW SECTION. Sec. 6. A new section is added to chapter 28B.15 RCW to read as follows:

(1) Beginning with the 2011-12 academic year, any four-year institution of higher education that increases tuition beyond levels assumed in the omnibus appropriations act is subject to the financial aid requirements included in this section and shall remain subject to these requirements through the 2018-19 academic year.

(2) Beginning July 1, 2011, each four-year institution of higher education that raises tuition beyond levels assumed in the omnibus appropriations act shall, in a manner consistent with the goal of enhancing the quality of and access to their institutions, provide financial aid to offset full-time tuition fees for resident undergraduate students as follows:

(a) Subtract from the full-time tuition fees an amount that is equal to the maximum amount of a state need grant award that would be given to an eligible student with a family income at or below fifty percent of the state's median family income as determined by the higher education coordinating board; and

(b) Offset the remainder as follows:

(i) Students with demonstrated need whose family incomes are at or below fifty percent of the state's median family income shall receive financial aid equal to one hundred percent of the remainder if an institution's full-time tuition fees for resident undergraduate students is five percent or greater of the state's median family income for a family of four as provided by the higher education coordinating board;

(ii) Students with demonstrated need whose family incomes are greater than fifty percent and no more than seventy percent of the state's median family income shall receive financial aid equal to seventy-five percent of the remainder if an institution's full-time tuition fees for resident undergraduate students is ten percent or greater of the state's median family income for a family of four as provided by the higher education coordinating board;

(iii) Students with demonstrated need whose family incomes exceed seventy percent and are less than one hundred percent of the state's median family income shall receive financial aid equal to fifty percent of the remainder if an institution's full-time tuition fees for resident undergraduate students is fifteen percent or greater of the state's median family income for a family of four as provided by the higher education coordinating board; and

(iv) Students with demonstrated need whose family incomes are at or exceed one hundred percent and are no more than one hundred twenty-five percent of the state's median family income shall receive financial aid equal to twenty-five percent of the remainder if an institution's full-time tuition fees for resident undergraduate students is twenty percent or greater of the state's median family income for a family of four as provided by the higher education coordinating board.

(3) The financial aid required in subsection (2) of this section shall:

(a) Be reduced by the amount of other financial aid awards, not including the state need grant;

(b) Be prorated based on credit load; and

(c) Only be provided to students up to demonstrated need.

(4) Financial aid sources and methods may be:

(a) Tuition revenue or locally held funds;

(b) Tuition waivers created by a four-year institution of higher education for the specific purpose of serving low and middle-income students; or

(c) Local financial aid programs.

(5) Use of tuition waivers as specified in subsection (4)(b) of this section shall not be included in determining total state tuition waiver authority as defined in RCW 28B.15.910.

(6) By August 15, 2012, and August 15th every year thereafter, four-year institutions of higher education shall report to the governor and relevant committees of the legislature on the effectiveness of the various sources and methods of financial aid in mitigating tuition increases. A key purpose of these reports is to provide information regarding the results of the decision to grant tuition-setting authority to the four-year institutions of higher education and whether tuition setting authority should continue to be granted to the institutions or revert back to the legislature after consideration of the impacts on students, including educational access, affordability, and quality. These reports shall include:

(a) The amount of additional financial aid provided to middle-income and low-income students with demonstrated need in the aggregate and per student;

(b) An itemization of the sources and methods of financial aid provided by the four-year institution of higher education in the aggregate and per student;

(c) An analysis of the combined impact of federal tuition tax credits and financial aid provided by the institution of higher education on the net cost to students and their families resulting from tuition increases;

(d) In cases where tuition increases are greater than those assumed in the omnibus appropriations act at any four-year institution of higher education, the institution must include an explanation in its report of why this increase was necessary and how the institution will mitigate the effects of the increase. The institution must include in this section of its report a plan and specific timelines; and

(e) An analysis of changes in resident student enrollment patterns, participation rates, graduation rates, and debt load, by race and ethnicity, gender, state and county of origin, age, and socioeconomic status, and a plan to mitigate effects of reduced diversity due to tuition increases. This analysis shall include disaggregated data for resident students in the following income brackets:

(i) Up to seventy percent of the median family income;

(ii) Between seventy-one percent and one hundred twenty-five percent of the median family income; and

(iii) Above one hundred twenty-five percent of the median family income.

(7) Beginning in the 2012-13 academic year, the University of Washington shall enroll during each academic year at least the same number of resident freshman undergraduate students at the Seattle campus, as defined in RCW 28B.15.012, as enrolled during the 2009-10 academic year. This requirement shall not apply to nonresident undergraduate and graduate and professional students.

Sec. 7. RCW 28B.15.068 and 2009 c 540 s 1 are each amended to read as follows:

(1) ~~((Beginning with the 2007-08 academic year and ending with the 2016-17 academic year, tuition fees charged to full-time resident undergraduate students, except in academic years 2009-10 and 2010-11, may increase no greater than seven percent over the previous academic year in any institution of higher education. Annual reductions or increases in full-time tuition fees for resident undergraduate students shall be as provided in the omnibus appropriations act, within the seven percent increase limit established in this section. For academic years 2009-10 and 2010-11 the omnibus appropriations act may provide tuition increases greater than seven percent. To the extent that state appropriations combined with tuition and fee revenues are insufficient to achieve the total per-student funding goals established in subsection (2) of this section, the legislature may revisit state appropriations, authorized enrollment levels, and changes in tuition fees for any given fiscal year.~~

~~(2) The state shall adopt as its goal total per-student funding levels, from state appropriations plus tuition and fees, of at least the sixtieth percentile of total per-student funding at similar public institutions of higher education in the global challenge states. In defining comparable per-student funding levels, the office of financial management shall adjust for regional cost-of-living differences; for differences in program offerings and in the relative mix of lower~~

~~division, upper division, and graduate students; and for accounting and reporting differences among the comparison institutions. The office of financial management shall develop a funding trajectory for each four-year institution of higher education and for the community and technical college system as a whole that when combined with tuition and fees revenue allows the state to achieve its funding goal for each four-year institution and the community and technical college system as a whole no later than fiscal year 2017. The state shall not reduce enrollment levels below fiscal year 2007 budgeted levels in order to improve or alter the per-student funding amount at any four-year institution of higher education or the community and technical college system as a whole. The state recognizes that each four-year institution of higher education and the community and technical college system as a whole have different funding requirements to achieve desired performance levels, and that increases to the total per-student funding amount may need to exceed the minimum funding goal.~~

~~(3))~~ By September 1st of each year beginning in ~~((2008))~~ 2011, the office of financial management shall report to the governor, the higher education coordinating board, and appropriate committees of the legislature with updated estimates of:

~~(a) The total per-student funding level that represents the sixtieth percentile of funding for ((comparable)) similar institutions of higher education in the global challenge states((- and the progress toward that goal that was made for each of the public institutions of higher education)); and~~

~~(b) The tuition that represents the sixtieth percentile of resident undergraduate tuition for similar institutions of higher education in the global challenge states.~~

~~((4))~~ (2) As used in this section, "global challenge states" are the top performing states on the new economy index published by the progressive policy institute as of July 22, 2007. The new economy index ranks states on indicators of their potential to compete in the new economy. At least once every five years, the office of financial management shall determine if changes to the list of global challenge states are appropriate. The office of financial management shall report its findings to the governor and the legislature.

~~((5) During the 2009-10 and the 2010-11 academic years, institutions of higher education shall include information on their billing statements notifying students of tax credits available through the American opportunity tax credit provided in the American recovery and reinvestment act of 2009.)~~ (3) Institutions of higher education, in collaboration with relevant student associations, shall aim to have all students who can benefit from available tax credits that mitigate the costs of higher education take advantage of these opportunities. These tax credits include the American opportunity tax credit provided in the American recovery and reinvestment act of 2009, the lifetime learning credit, and other relevant tax credits for as long as they are available.

(4)(a) Institutions shall make every effort to communicate to students and their families the benefits of such tax credits and provide assistance to students and their families on how to apply.

(b) Information about relevant tax credits shall, to the greatest extent possible, be incorporated into financial aid counseling, admission information, and individual billing statements.

(c) Institutions shall, to the greatest extent possible, use all means of communication, including but not limited to web sites, online catalogues, admission and registration forms, mass email messaging, social media, and outside marketing to ensure information about relevant tax credits is visible and compelling, and reaches the maximum amount of student and families that can benefit.

(5) In the event that the economic value of the American opportunity tax credit is reduced or expires at any time before December 31, 2012, institutions of higher education shall:

(a) Develop an updated tuition mitigation plan established under section 6 of this act for the purpose of minimizing, to the greatest extent possible, the increase in net cost of tuition or total cost of attendance for students resulting from any such change. This plan shall include the methods specified by the four-year institution of higher education to avoid adding additional loan debt burdens to students regardless of the source of such loans;

(b) Report to the governor and the relevant committees of the legislature on their plans to adjust their tuition mitigation plans no later than ninety days after any such change to the American opportunity tax credit.

Sec. 8. RCW 28B.76.270 and 2004 c 275 s 11 are each amended to read as follows:

(1) The board shall establish an accountability monitoring and reporting system as part of a continuing effort to make meaningful and substantial progress towards the achievement of long-term performance goals in higher education.

(2) To provide consistent, easily understood data among the public four-year institutions of higher education within Washington and in other states, the following data must be reported annually by December 1st, and at a minimum include data recommended by a national organization representing state chief executives. The board may change the data requirements to be consistent with best practices across the country. This data must, to the maximum extent possible, be disaggregated by race and ethnicity, gender, state and county of origin, age, and socioeconomic status, and include the following for the four-year institutions of higher education:

(a) Bachelor's degrees awarded;

(b) Graduate and professional degrees awarded;

(c) Graduation rates: The number and percentage of students who graduate within four years for bachelor's degrees and within the extended time, which is six years for bachelor's degrees;

(d) Transfer rates: The annual number and percentage of students who transfer from a two-year to a four-year institution of higher education;

(e) Time and credits to degree: The average length of time in years and average number of credits that graduating students took to earn a bachelor's degree;

(f) Enrollment in remedial education: The number and percentage of entering first-time undergraduate students who place into and enroll in remedial mathematics, English, or both;

(g) Success beyond remedial education: The number and percentage of entering first-time undergraduate students who complete entry college-level math and English courses within the first two consecutive academic years;

(h) Credit accumulation: The number and percentage of first-time undergraduate students completing two quarters or one semester worth of credit during their first academic year;

(i) Retention rates: The number and percentage of entering undergraduate students who enroll consecutively from fall-to-spring and fall-to-fall at an institution of higher education;

(j) Course completion: The percentage of credit hours completed out of those attempted during an academic year;

(k) Program participation and degree completion rates in bachelor and advanced degree programs in the sciences, which includes agriculture and natural resources, biology and biomedical sciences, computer and information sciences, engineering and engineering technologies, health professions and clinical sciences, mathematics and statistics, and physical sciences and science technologies, including participation and degree completion rates for students from traditionally underrepresented populations;

(l) Annual enrollment: Annual unduplicated number of students enrolled over a twelve-month period at institutions of higher education including by student level;

(m) Annual first-time enrollment: Total first-time students enrolled in a four-year institution of higher education;

(n) Completion ratio: Annual ratio of undergraduate and graduate degrees and certificates, of at least one year in expected length, awarded per one hundred full-time equivalent undergraduate students at the state level;

(o) Market penetration: Annual ratio of undergraduate and graduate degrees and certificates, of at least one year in program length, awarded relative to the state's population age eighteen to twenty-four years old with a high school diploma;

(p) Student debt load: Median three-year distribution of debt load, excluding private loans or debts incurred before coming to the institution;

(q) Data related to enrollment, completion rates, participation rates, and debt load shall be disaggregated for students in the following income brackets to the maximum extent possible:

(i) Up to seventy percent of the median family income;

(ii) Between seventy-one percent and one hundred twenty-five percent of the median family income; and

(iii) Above one hundred twenty-five percent of the median family income; and

(r) Yearly percentage increases in the average cost of undergraduate instruction.

(3) Four-year institutions of higher education must count all students when collecting data, not only first-time, full-time freshmen.

(4) Based on guidelines prepared by the board, each four-year institution and the state board for community and technical colleges shall submit a biennial plan to achieve measurable and specific improvements each academic year on statewide and institution-specific performance measures. Plans shall be submitted to the board along with the biennial budget requests from the institutions and the state board for community and technical colleges. Performance measures established for the community and technical colleges shall reflect the role and mission of the colleges.

~~((3))~~ (5) The board shall approve biennial performance targets for each four-year institution and for the community and technical college system and shall review actual achievements annually. The state board for community and technical colleges shall set biennial performance targets for each college or district, where appropriate.

~~((4))~~ (6) The board shall submit a report on progress towards the statewide goals, with recommendations for the ensuing biennium, to the fiscal and higher education committees of the legislature along with the board's biennial budget recommendations.

~~((5))~~ (7) The board, in collaboration with the four-year institutions and the state board for community and technical colleges, shall periodically review and update the accountability monitoring and reporting system.

~~((6))~~ (8) The board shall develop measurable indicators and benchmarks for its own performance regarding cost, quantity, quality, and timeliness and including the performance of committees and advisory groups convened under this chapter to accomplish such tasks as improving transfer and articulation, improving articulation with the K-12 education system, measuring educational costs, or developing data protocols. The board shall submit its accountability plan to the legislature concurrently with the biennial report on institution progress.

(9) In conjunction with the office of financial management, all four-year institutions of higher education must display the data described in subsection (2) of this section in a uniform dashboard format on the office of financial management's web site no later than December 1, 2011, and updated thereafter annually by December 1st. To the maximum extent possible, the information must be viewable by race and ethnicity, gender, state and county of origin, age, and socioeconomic status. The information may be tailored to meet the needs of various target audiences such as students, researchers, and the general public.

Sec. 9. RCW 28B.92.060 and 2009 c 215 s 4 are each amended to read as follows:

In awarding need grants, the board shall proceed substantially as follows: PROVIDED, That nothing contained herein shall be construed to prevent the board, in the exercise of its sound discretion, from following another procedure when the best interest of the program so dictates:

(1) The board shall annually select the financial aid award recipients from among Washington residents applying for student financial aid who have been ranked according to:

(a) Financial need as determined by the amount of the family contribution; and

(b) Other considerations, such as whether the student is a former foster youth, or is a placebound student who has completed an associate of arts or associate of science degree or its equivalent.

(2) The financial need of the highest ranked students shall be met by grants depending upon the evaluation of financial need until the total allocation has been disbursed. Funds from grants which are declined, forfeited or otherwise unused shall be reawarded until disbursed, except that eligible former foster youth shall be assured receipt of a grant. The board, in consultation with four-year institutions of higher education, and the state board for community and

technical colleges, shall develop award criteria and methods of disbursement based on level of need, and not solely rely on a first-come, first-served basis.

(3) A student shall be eligible to receive a state need grant for up to five years, or the credit or clock hour equivalent of five years, or up to one hundred twenty-five percent of the published length of time of the student's program. A student may not start a new associate degree program as a state need grant recipient until at least five years have elapsed since earning an associate degree as a need grant recipient, except that a student may earn two associate degrees concurrently. Qualifications for renewal will include maintaining satisfactory academic progress toward completion of an eligible program as determined by the board. Should the recipient terminate his or her enrollment for any reason during the academic year, the unused portion of the grant shall be returned to the state educational grant fund by the institution according to the institution's own policy for issuing refunds, except as provided in RCW 28B.92.070.

(4) In computing financial need, the board shall determine a maximum student expense budget allowance, not to exceed an amount equal to the total maximum student expense budget at the public institutions plus the current average state appropriation per student for operating expense in the public institutions. Any child support payments received by students who are parents attending less than half-time shall not be used in computing financial need.

(5)(a) A student who is enrolled in three to six credit-bearing quarter credits, or the equivalent semester credits, may receive a grant for up to one academic year before beginning a program that leads to a degree or certificate.

(b) An eligible student enrolled on a less-than-full-time basis shall receive a prorated portion of his or her state need grant for any academic period in which he or she is enrolled on a less-than-full-time basis, as long as funds are available.

(c) An institution of higher education may award a state need grant to an eligible student enrolled in three to six credit-bearing quarter credits, or the semester equivalent, on a provisional basis if:

(i) The student has not previously received a state need grant from that institution;

(ii) The student completes the required free application for federal student aid;

(iii) The institution has reviewed the student's financial condition, and the financial condition of the student's family if the student is a dependent student, and has determined that the student is likely eligible for a state need grant; and

(iv) The student has signed a document attesting to the fact that the financial information provided on the free application for federal student aid and any additional financial information provided directly to the institution is accurate and complete, and that the student agrees to repay the institution for the grant amount if the student submitted false or incomplete information.

(6) As used in this section, "former foster youth" means a person who is at least eighteen years of age, but not more than twenty-four years of age, who was a dependent of the department of social and health services at the time he or she attained the age of eighteen.

Sec. 10. RCW 28A.600.310 and 2009 c 450 s 8 are each amended to read as follows:

(1) Eleventh and twelfth grade students or students who have not yet received the credits required for the award of a high school diploma and are

eligible to be in the eleventh or twelfth grades may apply to a participating institution of higher education to enroll in courses or programs offered by the institution of higher education. A student receiving home-based instruction enrolling in a public high school for the sole purpose of participating in courses or programs offered by institutions of higher education shall not be counted by the school district in any required state or federal accountability reporting if the student's parents or guardians filed a declaration of intent to provide home-based instruction and the student received home-based instruction during the school year before the school year in which the student intends to participate in courses or programs offered by the institution of higher education. Students receiving home-based instruction under chapter 28A.200 RCW and students attending private schools approved under chapter 28A.195 RCW shall not be required to meet the student learning goals, obtain a certificate of academic achievement or a certificate of individual achievement to graduate from high school, or to master the essential academic learning requirements. However, students are eligible to enroll in courses or programs in participating universities only if the board of directors of the student's school district has decided to participate in the program. Participating institutions of higher education, in consultation with school districts, may establish admission standards for these students. If the institution of higher education accepts a secondary school pupil for enrollment under this section, the institution of higher education shall send written notice to the pupil and the pupil's school district within ten days of acceptance. The notice shall indicate the course and hours of enrollment for that pupil.

(2)(a) In lieu of tuition and fees, as defined in RCW 28B.15.020 and 28B.15.041((,));

(i) Running start students shall pay to the community or technical college all other mandatory fees as established by each community or technical college and, in addition, the state board for community and technical colleges may authorize a fee of up to ten percent of tuition and fees as defined in RCW 28B.15.020 and 28B.15.041; and

(ii) All other institutions of higher education operating a running start program may charge running start students a fee of up to ten percent of tuition and fees as defined in RCW 28B.15.020 and 28B.15.041 in addition to technology fees.

(b) The fees charged under this subsection (2) shall be prorated based on credit load.

(3)(a) The institutions of higher education must make available fee waivers for low-income running start students. Each institution must establish a written policy for the determination of low-income students before offering the fee waiver. A student shall be considered low income and eligible for a fee waiver upon proof that the student is currently qualified to receive free or reduced-price lunch. Acceptable documentation of low-income status may also include, but is not limited to, documentation that a student has been deemed eligible for free or reduced-price lunches in the last five years, or other criteria established in the institution's policy.

(b) Institutions of higher education, in collaboration with relevant student associations, shall aim to have students who can benefit from fee waivers take advantage of these waivers. Institutions shall make every effort to communicate to students and their families the benefits of the waivers and provide assistance

to students and their families on how to apply. Information about waivers shall, to the greatest extent possible, be incorporated into financial aid counseling, admission information, and individual billing statements. Institutions also shall, to the greatest extent possible, use all means of communication, including but not limited to web sites, online catalogues, admission and registration forms, mass e-mail messaging, social media, and outside marketing to ensure that information about waivers is visible, compelling, and reaches the maximum number of students and families that can benefit.

(4) The pupil's school district shall transmit to the institution of higher education an amount per each full-time equivalent college student at statewide uniform rates for vocational and nonvocational students. The superintendent of public instruction shall separately calculate and allocate moneys appropriated for basic education under RCW 28A.150.260 to school districts for purposes of making such payments and for granting school districts seven percent thereof to offset program related costs. The calculations and allocations shall be based upon the estimated statewide annual average per full-time equivalent high school student allocations under RCW 28A.150.260, excluding small high school enhancements, and applicable rules adopted under chapter 34.05 RCW. The superintendent of public instruction, the higher education coordinating board, and the state board for community and technical colleges shall consult on the calculation and distribution of the funds. The funds received by the institution of higher education from the school district shall not be deemed tuition or operating fees and may be retained by the institution of higher education. A student enrolled under this subsection shall be counted for the purpose of meeting enrollment targets in accordance with terms and conditions specified in the omnibus appropriations act.

(5) The state board for community and technical colleges, in collaboration with the other institutions of higher education that participate in the running start program and the office of the superintendent of public instruction, shall identify, assess, and report on alternatives for providing ongoing and adequate financial support for the program. Such alternatives shall include but are not limited to student tuition, increased support from local school districts, and reallocation of existing state financial support among the community and technical college system to account for differential running start enrollment levels and impacts. The state board for community and technical colleges shall report the assessment of alternatives to the governor and to the appropriate fiscal and policy committees of the legislature by September 1, 2010.

NEW SECTION. Sec. 11. A new section is added to chapter 28B.10 RCW to read as follows:

(1) A graduate of a community or technical college in this state who has earned a transferable associate of arts or sciences degree when admitted to a four-year institution of higher education shall have junior standing. A graduate who has earned the direct transfer associate of arts degree will be deemed to have met the lower division general education requirements of the receiving four-year institution of higher education. A graduate who has earned the associate of science transfer degree will be deemed to have met most requirements that prepare the graduate for baccalaureate degree majors in science, technology, engineering, and math and will be required to complete only such additional lower division, general education courses at the receiving

four-year institutions of higher education as would have been required to complete the direct transfer associate of arts degree.

(2) A student who has earned the equivalent of ninety quarter credit hours and has completed the general education requirements at that four-year institution of higher education in Washington when admitted to another four-year institution of higher education shall have junior standing and shall be deemed to have met the lower division general education requirements of the institution to which the student transfers.

(3) The community and technical colleges, jointly with the four-year institutions of higher education, must develop a list of academic courses that are equivalent to one-year's worth of general education credit and that would transfer for that purpose to any other two or four-year institution of higher education. If a student completes one-year's worth of general education credits, the student may be issued a one-year academic completion certificate. This certificate shall be accepted at any transferring two or four-year institution of higher education.

(4) Each institution of higher education must develop a minimum of one degree within the arts and sciences disciplines that can be completed within the equivalent of ninety quarter upper division credits by any student who enters an institution of higher education with junior status and lower division general education requirements completed.

(5) Each four-year institution of higher education must publish a list of recommended courses for each academic major designed to help students who are planning to transfer design their course of study. Publication of the list of courses must be easily identified and accessible on the institution's web site.

(6) The requirements to publish a list of recommended courses for each academic major under this section does not apply if an institution does not require courses or majors to meet specific requirements but generally applies credits earned towards degree requirements.

NEW SECTION. Sec. 12. A new section is added to chapter 28B.50 RCW to read as follows:

(1)(a) Community and technical colleges must identify and publish in their admissions materials the college level courses that are recognized by all four-year institutions of higher education as transferable to the four-year institutions of higher education. Publication of the list of courses must be easily identified and accessible on the college's web site.

(b) If a four-year institution of higher education does not require courses of majors for transfer, the community and technical colleges must identify and publish the transfer policy of the institution in their admissions materials and make the transfer policy of the institution easily identifiable on the college's web site.

(2) Community and technical colleges must create a list of courses that satisfy the basic requirements, distribution requirements, and approved electives for:

(a) A one-year academic completion certificate as provided for under section 11 of this act; and

(b) A transferrable associate of arts or sciences degree as provided for under section 11 of this act.

(3) To the extent possible, each community and technical college must develop links between the lists in subsections (1) and (2) of this section and its list of courses, and develop methods to encourage students to check the lists in subsections (1) and (2) of this section when the students are registering for courses.

**Sec. 13. RCW 39.29.011 and 2009 c 486 s 7 are each amended to read as follows:*

All personal service contracts shall be entered into pursuant to competitive solicitation, except for:

- (1) Emergency contracts;*
- (2) Sole source contracts;*
- (3) Contract amendments;*

(4) Contracts between a consultant and an agency of less than twenty thousand dollars. However, contracts of five thousand dollars or greater but less than twenty thousand dollars shall have documented evidence of competition, which must include agency posting of the contract opportunity on the state's common vendor registration and bid notification system. Agencies shall not structure contracts to evade these requirements; (~~and~~)

(5) Contracts between a consultant and an institution of higher education of less than one hundred thousand dollars. However, contracts of ten thousand dollars or greater but less than one hundred thousand dollars shall have documented evidence of competition, which must include an institution of higher education's posting of the contract opportunity on the state's common vendor registration and bid notification system. Institutions of higher education may not structure contracts to evade these requirements; and

(6) Other specific contracts or classes or groups of contracts exempted from the competitive solicitation process by the director of the office of financial management when it has been determined that a competitive solicitation process is not appropriate or cost-effective.

**Sec. 13 was vetoed. See message at end of chapter.*

**Sec. 14. RCW 43.19.1906 and 2008 c 215 s 5 are each amended to read as follows:*

Insofar as practicable, all purchases and sales shall be based on competitive bids, and a formal sealed, electronic, or web-based bid procedure, subject to RCW 43.19.1911, shall be used as standard procedure for all purchases and contracts for purchases and sales executed by the state purchasing and material control director and under the powers granted by RCW 43.19.190 through 43.19.1939. This requirement also applies to purchases and contracts for purchases and sales executed by agencies, including educational institutions, under delegated authority granted in accordance with provisions of RCW 43.19.190 or under RCW 28B.10.029. However, formal sealed, electronic, or web-based competitive bidding is not necessary for:

(1) Emergency purchases made pursuant to RCW 43.19.200 if the sealed bidding procedure would prevent or hinder the emergency from being met appropriately;

(2) Purchases not exceeding thirty-five thousand dollars, or subsequent limits as calculated by the office of financial management: PROVIDED, That the state director of general administration shall establish procedures to

assure that purchases made by or on behalf of the various state agencies shall not be made so as to avoid the thirty-five thousand dollar bid limitation, or subsequent bid limitations as calculated by the office of financial management: PROVIDED FURTHER, That the state purchasing and material control director is authorized to reduce the formal sealed bid limits of thirty-five thousand dollars, or subsequent limits as calculated by the office of financial management, to a lower dollar amount for purchases by individual state agencies if considered necessary to maintain full disclosure of competitive procurement or otherwise to achieve overall state efficiency and economy in purchasing and material control. Quotations from three thousand dollars to thirty-five thousand dollars, or subsequent limits as calculated by the office of financial management, shall be secured from at least three vendors to assure establishment of a competitive price and may be obtained by telephone or written quotations, or both. The agency shall invite at least one quotation each from a certified minority and a certified women-owned vendor who shall otherwise qualify to perform such work. Immediately after the award is made, the bid quotations obtained shall be recorded and open to public inspection and shall be available by telephone inquiry. A record of competition for all such purchases from three thousand dollars to thirty-five thousand dollars, or subsequent limits as calculated by the office of financial management, shall be documented for audit purposes. Purchases up to three thousand dollars may be made without competitive bids based on buyer experience and knowledge of the market in achieving maximum quality at minimum cost;

(3) Purchases which are clearly and legitimately limited to a single source of supply and purchases involving special facilities, services, or market conditions, in which instances the purchase price may be best established by direct negotiation;

(4) Purchases of insurance and bonds by the risk management division under RCW 43.41.310;

(5) Purchases and contracts for vocational rehabilitation clients of the department of social and health services: PROVIDED, That this exemption is effective only when the state purchasing and material control director, after consultation with the director of the division of vocational rehabilitation and appropriate department of social and health services procurement personnel, declares that such purchases may be best executed through direct negotiation with one or more suppliers in order to expeditiously meet the special needs of the state's vocational rehabilitation clients;

(6) Purchases by universities for hospital operation or biomedical teaching or research purposes and by the state purchasing and material control director, as the agent for state hospitals as defined in RCW 72.23.010, and for health care programs provided in state correctional institutions as defined in RCW 72.65.010(3) and veterans' institutions as defined in RCW 72.36.010 and 72.36.070, made by participating in contracts for materials, supplies, and equipment entered into by nonprofit cooperative hospital group purchasing organizations;

(7) Purchases for resale by institutions of higher education to other than public agencies when such purchases are for the express purpose of supporting instructional programs and may best be executed through direct

negotiation with one or more suppliers in order to meet the special needs of the institution;

(8) Purchases by institutions of higher education not exceeding ~~((thirty-five))~~ one hundred thousand dollars: PROVIDED, That for purchases between ~~((three))~~ ten thousand dollars and ~~((thirty-five))~~ one hundred thousand dollars quotations shall be secured from at least three vendors to assure establishment of a competitive price and may be obtained by telephone or written quotations, or both. For purchases between ~~((three))~~ ten thousand dollars and ~~((thirty-five))~~ one hundred thousand dollars, each institution of higher education shall invite at least one quotation each from a certified minority and a certified women-owned vendor who shall otherwise qualify to perform such work. A record of competition for all such purchases made from ~~((three))~~ ten thousand to ~~((thirty-five))~~ one hundred thousand dollars shall be documented for audit purposes;

(9) Off-contract purchases of Washington grown food when such food is not available from Washington sources through an existing contract. However, Washington grown food purchased under this subsection must be of an equivalent or better quality than similar food available through the contract and be able to be paid from the agency's existing budget. This requirement also applies to purchases and contracts for purchases executed by state agencies, including institutions of higher education, under delegated authority granted in accordance with RCW 43.19.190 or under RCW 28B.10.029; and

(10) Negotiation of a contract by the department of transportation, valid until June 30, 2001, with registered tow truck operators to provide roving service patrols in one or more Washington state patrol tow zones whereby those registered tow truck operators wishing to participate would cooperatively, with the department of transportation, develop a demonstration project upon terms and conditions negotiated by the parties.

Beginning on July 1, 1995, and on July 1st of each succeeding odd-numbered year, the dollar limits specified in this section shall be adjusted as follows: The office of financial management shall calculate such limits by adjusting the previous biennium's limits by the appropriate federal inflationary index reflecting the rate of inflation for the previous biennium. Such amounts shall be rounded to the nearest one hundred dollars. However, the three thousand dollar figure in subsection~~((s))~~ (2) ~~((and - (8)))~~ of this section may not be adjusted to exceed five thousand dollars.

As used in this section, "Washington grown" has the definition in RCW 15.64.060.

**Sec. 14 was vetoed. See message at end of chapter.*

**Sec. 15. RCW 43.88.160 and 2006 c 1 s 6 are each amended to read as follows:*

This section sets forth the major fiscal duties and responsibilities of officers and agencies of the executive branch. The regulations issued by the governor pursuant to this chapter shall provide for a comprehensive, orderly basis for fiscal management and control, including efficient accounting and reporting therefor, for the executive branch of the state government and may include, in addition, such requirements as will generally promote more efficient public management in the state.

(1) Governor; director of financial management. The governor, through the director of financial management, shall devise and supervise a modern and complete accounting system for each agency to the end that all revenues, expenditures, receipts, disbursements, resources, and obligations of the state shall be properly and systematically accounted for. The accounting system shall include the development of accurate, timely records and reports of all financial affairs of the state. The system shall also provide for central accounts in the office of financial management at the level of detail deemed necessary by the director to perform central financial management. The director of financial management shall adopt and periodically update an accounting procedures manual. Any agency maintaining its own accounting and reporting system shall comply with the updated accounting procedures manual and the rules of the director adopted under this chapter. An agency may receive a waiver from complying with this requirement if the waiver is approved by the director. Waivers expire at the end of the fiscal biennium for which they are granted. The director shall forward notice of waivers granted to the appropriate legislative fiscal committees. The director of financial management may require such financial, statistical, and other reports as the director deems necessary from all agencies covering any period.

(2) Except as provided in chapter 43.88C RCW, the director of financial management is responsible for quarterly reporting of primary operating budget drivers such as applicable workloads, caseload estimates, and appropriate unit cost data. These reports shall be transmitted to the legislative fiscal committees or by electronic means to the legislative evaluation and accountability program committee. Quarterly reports shall include actual monthly data and the variance between actual and estimated data to date. The reports shall also include estimates of these items for the remainder of the budget period.

(3) The director of financial management shall report at least annually to the appropriate legislative committees regarding the status of all appropriated capital projects, including transportation projects, showing significant cost overruns or underruns. If funds are shifted from one project to another, the office of financial management shall also reflect this in the annual variance report. Once a project is complete, the report shall provide a final summary showing estimated start and completion dates of each project phase compared to actual dates, estimated costs of each project phase compared to actual costs, and whether or not there are any outstanding liabilities or unsettled claims at the time of completion.

(4) In addition, the director of financial management, as agent of the governor, shall:

(a) Develop and maintain a system of internal controls and internal audits comprising methods and procedures to be adopted by each agency that will safeguard its assets, check the accuracy and reliability of its accounting data, promote operational efficiency, and encourage adherence to prescribed managerial policies for accounting and financial controls. The system developed by the director shall include criteria for determining the scope and comprehensiveness of internal controls required by classes of agencies, depending on the level of resources at risk.

Each agency head or authorized designee shall be assigned the responsibility and authority for establishing and maintaining internal audits following the standards of internal auditing of the institute of internal auditors;

(b) Make surveys and analyses of agencies with the object of determining better methods and increased effectiveness in the use of manpower and materials; and the director shall authorize expenditures for employee training to the end that the state may benefit from training facilities made available to state employees;

(c) Establish policies for allowing the contracting of child care services;

(d) Report to the governor with regard to duplication of effort or lack of coordination among agencies;

(e) Review any pay and classification plans, and changes thereunder, developed by any agency for their fiscal impact: PROVIDED, That none of the provisions of this subsection shall affect merit systems of personnel management now existing or hereafter established by statute relating to the fixing of qualifications requirements for recruitment, appointment, or promotion of employees of any agency. The director shall advise and confer with agencies including appropriate standing committees of the legislature as may be designated by the speaker of the house and the president of the senate regarding the fiscal impact of such plans and may amend or alter the plans, except that for the following agencies no amendment or alteration of the plans may be made without the approval of the agency concerned: Agencies headed by elective officials;

(f) Fix the number and classes of positions or authorized employee years of employment for each agency and during the fiscal period amend the determinations previously fixed by the director except that the director shall not be empowered to fix the number or the classes for the following: Agencies headed by elective officials;

(g) Adopt rules to effectuate provisions contained in (a) through (f) of this subsection.

(5) The treasurer shall:

(a) Receive, keep, and disburse all public funds of the state not expressly required by law to be received, kept, and disbursed by some other persons: PROVIDED, That this subsection shall not apply to those public funds of the institutions of higher learning which are not subject to appropriation;

(b) Receive, disburse, or transfer public funds under the treasurer's supervision or custody;

(c) Keep a correct and current account of all moneys received and disbursed by the treasurer, classified by fund or account;

(d) Coordinate agencies' acceptance and use of credit cards and other payment methods, if the agencies have received authorization under RCW 43.41.180;

(e) Perform such other duties as may be required by law or by regulations issued pursuant to this law.

It shall be unlawful for the treasurer to disburse public funds in the treasury except upon forms or by alternative means duly prescribed by the director of financial management. These forms or alternative means shall provide for authentication and certification by the agency head or the agency

head's designee that the services have been rendered or the materials have been furnished; or, in the case of loans or grants, that the loans or grants are authorized by law; or, in the case of payments for periodic maintenance services to be performed on state owned equipment, that a written contract for such periodic maintenance services is currently in effect; and the treasurer shall not be liable under the treasurer's surety bond for erroneous or improper payments so made. When services are lawfully paid for in advance of full performance by any private individual or business entity other than equipment maintenance providers or as provided for by RCW 42.24.035, such individual or entity other than central stores rendering such services shall make a cash deposit or furnish surety bond coverage to the state as shall be fixed in an amount by law, or if not fixed by law, then in such amounts as shall be fixed by the director of the department of general administration but in no case shall such required cash deposit or surety bond be less than an amount which will fully indemnify the state against any and all losses on account of breach of promise to fully perform such services. Except for institutions of higher education, no payments shall be made in advance for any equipment maintenance services to be performed more than twelve months after such payment. Any such bond so furnished shall be conditioned that the person, firm or corporation receiving the advance payment will apply it toward performance of the contract. The responsibility for recovery of erroneous or improper payments made under this section shall lie with the agency head or the agency head's designee in accordance with regulations issued pursuant to this chapter. Nothing in this section shall be construed to permit a public body to advance funds to a private service provider pursuant to a grant or loan before services have been rendered or material furnished.

(6) The state auditor shall:

(a) Report to the legislature the results of current post audits that have been made of the financial transactions of each agency; to this end the auditor may, in the auditor's discretion, examine the books and accounts of any agency, official, or employee charged with the receipt, custody, or safekeeping of public funds. Where feasible in conducting examinations, the auditor shall utilize data and findings from the internal control system prescribed by the office of financial management. The current post audit of each agency may include a section on recommendations to the legislature as provided in (c) of this subsection.

(b) Give information to the legislature, whenever required, upon any subject relating to the financial affairs of the state.

(c) Make the auditor's official report on or before the thirty-first of December which precedes the meeting of the legislature. The report shall be for the last complete fiscal period and shall include determinations as to whether agencies, in making expenditures, complied with the laws of this state. The state auditor is authorized to perform or participate in performance verifications and performance audits as expressly authorized by the legislature in the omnibus biennial appropriations acts or in the performance audit work plan approved by the joint legislative audit and review committee. The state auditor, upon completing an audit for legal and financial compliance under chapter 43.09 RCW or a performance verification, may report to the joint legislative audit and review committee or other appropriate committees of the

legislature, in a manner prescribed by the joint legislative audit and review committee, on facts relating to the management or performance of governmental programs where such facts are discovered incidental to the legal and financial audit or performance verification. The auditor may make such a report to a legislative committee only if the auditor has determined that the agency has been given an opportunity and has failed to resolve the management or performance issues raised by the auditor. If the auditor makes a report to a legislative committee, the agency may submit to the committee a response to the report. This subsection (6) shall not be construed to authorize the auditor to allocate other than de minimis resources to performance audits except as expressly authorized in the appropriations acts or in the performance audit work plan. The results of a performance audit conducted by the state auditor that has been requested by the joint legislative audit and review committee must only be transmitted to the joint legislative audit and review committee.

(d) Be empowered to take exception to specific expenditures that have been incurred by any agency or to take exception to other practices related in any way to the agency's financial transactions and to cause such exceptions to be made a matter of public record, including disclosure to the agency concerned and to the director of financial management. It shall be the duty of the director of financial management to cause corrective action to be taken within six months, such action to include, as appropriate, the withholding of funds as provided in RCW 43.88.110. The director of financial management shall annually report by December 31st the status of audit resolution to the appropriate committees of the legislature, the state auditor, and the attorney general. The director of financial management shall include in the audit resolution report actions taken as a result of an audit including, but not limited to, types of personnel actions, costs and types of litigation, and value of recouped goods or services.

(e) Promptly report any irregularities to the attorney general.

(f) Investigate improper governmental activity under chapter 42.40 RCW.

~~((g))~~ In addition to the authority given to the state auditor in this subsection (6), the state auditor is authorized to conduct performance audits identified in RCW 43.09.470. Nothing in this subsection (6) shall limit, impede, or restrict the state auditor from conducting performance audits identified in RCW 43.09.470.

(7) The joint legislative audit and review committee may:

(a) Make post audits of the financial transactions of any agency and management surveys and program reviews as provided for in chapter 44.28 RCW as well as performance audits and program evaluations. To this end the joint committee may in its discretion examine the books, accounts, and other records of any agency, official, or employee.

(b) Give information to the legislature or any legislative committee whenever required upon any subject relating to the performance and management of state agencies.

(c) Make a report to the legislature which shall include at least the following:

(i) Determinations as to the extent to which agencies in making expenditures have complied with the will of the legislature and in this

connection, may take exception to specific expenditures or financial practices of any agencies; and

(ii) Such plans as it deems expedient for the support of the state's credit, for lessening expenditures, for promoting frugality and economy in agency affairs, and generally for an improved level of fiscal management.

*Sec. 15 was vetoed. See message at end of chapter.

*Sec. 16. RCW 43.03.220 and 2011 c 5 s 902 are each amended to read as follows:

(1) Any part-time board, commission, council, committee, or other similar group which is established by the executive, legislative, or judicial branch to participate in state government and which functions primarily in an advisory, coordinating, or planning capacity shall be identified as a class one group.

(2) Absent any other provision of law to the contrary, no money beyond the customary reimbursement or allowance for expenses may be paid by or through the state to members of class one groups for attendance at meetings of such groups.

(3) Beginning July 1, 2010, through June 30, 2011, no person designated as a member of a class one board, commission, council, committee, or similar group may receive an allowance for subsistence, lodging, or travel expenses if the allowance cost is funded by the state general fund. Exceptions may be granted under section 605, chapter 3, Laws of 2010. Class one groups, when feasible, shall use an alternative means of conducting a meeting that does not require travel while still maximizing member and public participation and may use a meeting format that requires members to be physically present at one location only when necessary or required by law. Meetings that require a member's physical presence at one location must be held in state facilities whenever possible. Meetings conducted using private facilities must be approved by the director of the office of financial management, except for facilities provided free of charge. Meetings of class one groups affiliated with institutions of higher education do not require such approval.

(4) Beginning July 1, 2010, through June 30, 2011, class one groups that are funded by sources other than the state general fund are encouraged to reduce travel, lodging, and other costs associated with conducting the business of the group including use of other meeting formats that do not require travel.

*Sec. 16 was vetoed. See message at end of chapter.

*Sec. 17. RCW 43.03.230 and 2011 c 5 s 903 are each amended to read as follows:

(1) Any agricultural commodity board or commission established pursuant to Title 15 or 16 RCW shall be identified as a class two group for purposes of compensation.

(2) Except as otherwise provided in this section, each member of a class two group is eligible to receive compensation in an amount not to exceed one hundred dollars for each day during which the member attends an official meeting of the group or performs statutorily prescribed duties approved by the chairperson of the group. A person shall not receive compensation for a day of service under this section if the person (a) occupies a position, normally regarded as full-time in nature, in any agency of the federal government, Washington state government, or Washington state local government; and (b) receives any compensation from such government for working that day.

(3) *Compensation may be paid a member under this section only if it is authorized under the law dealing in particular with the specific group to which the member belongs or dealing in particular with the members of that specific group.*

(4) *Beginning July 1, 2010, through June 30, 2011, no person designated as a member of a class two board, commission, council, committee, or similar group may receive an allowance for subsistence, lodging, or travel expenses if the allowance cost is funded by the state general fund. Exceptions may be granted under section 605, chapter 3, Laws of 2010. Class two groups, when feasible, shall use an alternative means of conducting a meeting that does not require travel while still maximizing member and public participation and may use a meeting format that requires members to be physically present at one location only when necessary or required by law. Meetings that require a member's physical presence at one location must be held in state facilities whenever possible. Meetings conducted using private facilities must be approved by the director of the office of financial management, except for facilities provided free of charge. Meetings of class two groups affiliated with institutions of higher education do not require such approval.*

(5) *Beginning July 1, 2010, through June 30, 2011, class two groups that are funded by sources other than the state general fund are encouraged to reduce travel, lodging, and other costs associated with conducting the business of the group including use of other meeting formats that do not require travel.*

**Sec. 17 was vetoed. See message at end of chapter.*

**Sec. 18. RCW 43.03.240 and 2011 c 5 s 904 are each amended to read as follows:*

(1) *Any part-time, statutory board, commission, council, committee, or other similar group which has rule-making authority, performs quasi judicial functions, has responsibility for the administration or policy direction of a state agency or program, or performs regulatory or licensing functions with respect to a specific profession, occupation, business, or industry shall be identified as a class three group for purposes of compensation.*

(2) *Except as otherwise provided in this section, each member of a class three group is eligible to receive compensation in an amount not to exceed fifty dollars for each day during which the member attends an official meeting of the group or performs statutorily prescribed duties approved by the chairperson of the group. A person shall not receive compensation for a day of service under this section if the person (a) occupies a position, normally regarded as full-time in nature, in any agency of the federal government, Washington state government, or Washington state local government; and (b) receives any compensation from such government for working that day.*

(3) *Compensation may be paid a member under this section only if it is authorized under the law dealing in particular with the specific group to which the member belongs or dealing in particular with the members of that specific group.*

(4) *Beginning July 1, 2010, through June 30, 2011, no person designated as a member of a class three board, commission, council, committee, or similar group may receive an allowance for subsistence, lodging, or travel expenses if the allowance cost is funded by the state general fund. Exceptions may be granted under section 605, chapter 3, Laws of 2010. Class three*

groups, when feasible, shall use an alternative means of conducting a meeting that does not require travel while still maximizing member and public participation and may use a meeting format that requires members to be physically present at one location only when necessary or required by law. Meetings that require a member's physical presence at one location must be held in state facilities whenever possible. Meetings conducted using private facilities must be approved by the director of the office of financial management, except for facilities provided free of charge. Meetings of class three groups affiliated with institutions of higher education do not require such approval.

(5) Beginning July 1, 2010, through June 30, 2011, class three groups that are funded by sources other than the state general fund are encouraged to reduce travel, lodging, and other costs associated with conducting the business of the group including use of other meeting formats that do not require travel.

**Sec. 18 was vetoed. See message at end of chapter.*

**Sec. 19. RCW 43.03.250 and 2011 c 5 s 905 are each amended to read as follows:*

(1) A part-time, statutory board, commission, council, committee, or other similar group shall be identified as a class four group for purposes of compensation if the group:

(a) Has rule-making authority, performs quasi-judicial functions, or has responsibility for the administration or policy direction of a state agency or program;

(b) Has duties that are deemed by the legislature to be of overriding sensitivity and importance to the public welfare and the operation of state government; and

(c) Requires service from its members representing a significant demand on their time that is normally in excess of one hundred hours of meeting time per year.

(2) Each member of a class four group is eligible to receive compensation in an amount not to exceed one hundred dollars for each day during which the member attends an official meeting of the group or performs statutorily prescribed duties approved by the chairperson of the group. A person shall not receive compensation for a day of service under this section if the person (a) occupies a position, normally regarded as full-time in nature, in any agency of the federal government, Washington state government, or Washington state local government; and (b) receives any compensation from such government for working that day.

(3) Compensation may be paid a member under this section only if it is authorized under the law dealing in particular with the specific group to which the member belongs or dealing in particular with the members of that specific group.

(4) Beginning July 1, 2010, through June 30, 2011, class four groups, when feasible, shall use an alternative means of conducting a meeting that does not require travel while still maximizing member and public participation and may use a meeting format that requires members to be physically present at one location only when necessary or required by law. Meetings that require a member's physical presence at one location must be held in state facilities whenever possible. Meetings conducted using private facilities must be

approved by the director of the office of financial management, except for facilities provided free of charge. Meetings of class four groups affiliated with institutions of higher education do not require such approval.

**Sec. 19 was vetoed. See message at end of chapter.*

**Sec. 20. RCW 43.03.265 and 2011 c 5 s 906 are each amended to read as follows:*

(1) Any part-time commission that has rule-making authority, performs quasi-judicial functions, has responsibility for the policy direction of a health profession credentialing program, and performs regulatory and licensing functions with respect to a health care profession licensed under Title 18 RCW shall be identified as a class five group for purposes of compensation.

(2) Except as otherwise provided in this section, each member of a class five group is eligible to receive compensation in an amount not to exceed two hundred fifty dollars for each day during which the member attends an official meeting of the group or performs statutorily prescribed duties approved by the chairperson of the group. A person shall not receive compensation for a day of service under this section if the person (a) occupies a position, normally regarded as full-time in nature, in any agency of the federal government, Washington state government, or Washington state local government; and (b) receives any compensation from such government for working that day.

(3) Compensation may be paid a member under this section only if it is necessarily incurred in the course of authorized business consistent with the responsibilities of the commission established by law.

(4) Beginning July 1, 2010, through June 30, 2011, no person designated as a member of a class five board, commission, council, committee, or similar group may receive an allowance for subsistence, lodging, or travel expenses if the allowance cost is funded by the state general fund. Exceptions may be granted under section 605, chapter 3, Laws of 2010. Class five groups, when feasible, shall use an alternative means of conducting a meeting that does not require travel while still maximizing member and public participation and may use a meeting format that requires members to be physically present at one location only when necessary or required by law. Meetings that require a member's physical presence at one location must be held in state facilities whenever possible. Meetings conducted using private facilities must be approved by the director of the office of financial management, except for facilities provided free of charge. Meetings of class five groups affiliated with institutions of higher education do not require such approval.

(5) Beginning July 1, 2010, through June 30, 2011, class five groups that are funded by sources other than the state general fund are encouraged to reduce travel, lodging, and other costs associated with conducting the business of the group including use of other meeting formats that do not require travel.

**Sec. 20 was vetoed. See message at end of chapter.*

**Sec. 21. 2010 c 3 s 602 (uncodified) is amended to read as follows:*

(1) From March 17, 2010, until July 1, 2011, state agencies of the legislative, executive, and judicial branches shall not enter into any contracts or other agreements entered into for the acquisition of personal services not related to an emergency or other catastrophic event that requires government action to protect life or public safety.

(2) *This section does not apply to personal services contracts or other agreements for the acquisition of personal services where the costs are funded exclusively from private or federal grants, where the costs are for tax and fee collection, where the costs are for revenue generation and auditing activities, where the costs are for the review and research conducted by the joint transportation committee pursuant to RCW 44.04.300, where the costs are necessary to receive or maintain federal funds by the state, or ~~(-in)~~ to institutions of higher education ~~(-where the costs are not funded from state funds or tuition)~~. This section also does not apply where costs are related to hearing officers, where costs are related to real estate appraisals or habitat assessments, where costs are related to carrying out a court order, or where costs are related to information technology contracts related to an information services board approved information technology project, or where costs are related to judicial information system technology projects.*

(3) *Exceptions to this section may be granted under section 605, chapter 3, Laws of 2010.*

**Sec. 21 was vetoed. See message at end of chapter.*

**Sec. 22. 2010 c 3 s 603 (uncodified) is amended to read as follows:*

(1) *From March 17, 2010, until July 1, 2011, state agencies of the legislative, executive, and judicial branches shall not enter into any contracts or other agreements for the acquisition of any item of equipment the cost of which exceeds five thousand dollars and is not related to an emergency or other catastrophic event that requires government action to protect life or public safety.*

(2) *This section does not apply to the unemployment insurance program of the employment security department, to costs that are for tax and fee collection, for revenue generation and audit activities, or for receiving or maintaining federal funds by the state, or ~~(-in)~~ to institutions of higher education ~~(-to costs not funded from state funds or tuition)~~. This section also does not apply to costs that are funded exclusively from private or federal grants, or for equipment necessary to complete a project funded in the omnibus capital or transportation appropriation acts, or the operational divisions of the department of information services, or cost related to the continuation, renewal, or establishment of maintenance for existing computer software licensing and existing computer hardware, or for costs related to the judicial information system.*

(3) *Exceptions to this section may be granted under section 605, chapter 3, Laws of 2010.*

**Sec. 22 was vetoed. See message at end of chapter.*

**Sec. 23. 2010 c 3 s 604 (uncodified) is amended to read as follows:*

(1) *State agencies of the legislative, executive, and judicial branches shall not make expenditures for the cost or reimbursement of out-of-state travel or out-of-state training by state employees where the travel or training is not related to an emergency or other catastrophic event that requires government action to protect life or public safety, or direct service delivery, and the travel or training occurs after March 17, 2010, and before July 1, 2011.*

(2) *This section does not apply to travel expenditures when the costs are funded exclusively from private or federal grants. This section does not apply to the unemployment insurance program of the employment security*

department, to costs that are for tax and fee collection, for revenue generation and audit activities, or for receiving or maintaining federal funds by the state, or ~~(, or in)~~ to institutions of higher education ~~(, to costs not funded from state funds or tuition)~~. This section also does not apply to costs related to carrying out a court order or to costs to travel by air into Washington state from any airport located in a contiguous state of which the largest city is part of a metropolitan statistical area with a city located in Washington state, or to motor vehicle and parking costs for single day travel to a contiguous state or British Columbia, Canada.

(3) Exceptions to this section may be granted under section 605, chapter 3, Laws of 2010.

**Sec. 23 was vetoed. See message at end of chapter.*

**Sec. 24. 2010 1st sp.s. c 37 s 901 (uncodified) is amended to read as follows:*

(1) From May 4, 2010, until July 1, 2011, state agencies of the legislative, executive, and judicial branches shall not establish new staff positions or fill vacant existing staff positions except as specifically authorized by this section.

(2) The following activities of state agencies are exempt from subsection (1) of this section:

(a) Direct custody, supervision, and patient care in corrections, juvenile rehabilitation, institutional care of veterans, the mentally ill, developmentally disabled, state hospitals, the special commitment center, and the schools for the blind and the deaf;

(b) Direct protective services to children and other vulnerable populations in the department of social and health services;

(c) Washington state patrol investigative services and field enforcement;

(d) Hazardous materials response and emergency cleanup;

(e) Emergency public health and patient safety response and the public health laboratory;

(f) Military operations and emergency management within the military department;

(g) Firefighting;

(h) Enforcement officers in the department of fish and wildlife, the liquor control board, the gambling commission, and the department of natural resources;

(i) Park rangers at the parks and recreation commission;

(j) Seasonal employment by natural resources agencies to the extent that employment levels do not exceed the prior fiscal year;

(k) Seasonal employment in the department of transportation maintenance programs to the extent that employment levels do not exceed the prior fiscal year;

(l) Employees hired on a seasonal basis by the department of agriculture for inspection and certification of agricultural products and for insect detection;

(m) Activities directly related to tax and fee collection, revenue generation, auditing, and recovery;

(n) In institutions of higher education, ~~(any positions directly related to academic programs, as well as positions not funded from state funds or tuition, positions that are filled by enrolled students at their own institution as~~

~~student workers, positions in campus police and security, positions related to emergency management and response, and positions related to student health care and counseling~~) all positions;

(o) Operations of the state lottery and liquor control board business enterprises;

(p) The unemployment insurance program of the employment security department; and

(q) Activities that are necessary to receive or maintain federal funds by the state.

(3) The exemptions specified in subsection (2) of this section do not require the establishment of new staff positions or the filling of vacant staff positions in the activities specified.

(4) Exceptions to this section may be granted under section 605 (~~of this act~~), chapter 3, Laws of 2010.

(5) Also exempted from this section are positions related to facility realignments in the department of corrections, positions related to the transfer of programs between state agencies assumed in (~~this act~~) chapter 3, Laws of 2010, and disability determination staff funded solely by federal funds.

*Sec. 24 was vetoed. See message at end of chapter.

*Sec. 25. 2010 c 1 s 8 (uncodified) is amended to read as follows:

(1) Notwithstanding sections 1 through 5, chapter 1, Laws of 2010, institutions of higher education may grant a wage or salary increase for additional academic responsibilities during the summer quarter if the following conditions are met:

(a) The salary increase can be paid within existing resources; and

(b) The salary increase will not adversely impact the provision of client services.

(2) Notwithstanding sections 1 through 5, chapter 1, Laws of 2010, and provided that any increase is not funded from state funds, institutions of higher education may grant a wage or salary increase to critical academic personnel as needed for retention purposes where the loss of such personnel would be likely to result in a loss of grant or other funding.

(3) Any institution granting a wage or salary increase under this section from February 15, 2010, through June 30, 2011, shall submit a report to the fiscal committees of the legislature no later than July 31, 2011, detailing the positions for which salary increases were granted, the size of the increases, and the reasons for giving the increases.

*Sec. 25 was vetoed. See message at end of chapter.

NEW SECTION. Sec. 26. The following acts or parts of acts are each repealed:

(1) RCW 28B.10.920 (Performance agreements—Generally) and 2008 c 160 s 2;

(2) RCW 28B.10.921 (Performance agreements—Contents) and 2008 c 160 s 3; and

(3) RCW 28B.10.922 (Performance agreements—State committee—Development of final proposals—Implementation—Updates) and 2008 c 160 s 4.

NEW SECTION. Sec. 27. The office of financial management shall work with the appropriate state agencies as determined by the office of financial management, and the council of presidents to convene an interagency work group to develop and implement improved administration and management practices that enhance the efficiency and effectiveness of operations throughout higher education campuses. The council of presidents shall appoint a lead higher education institution to provide administrative support to the work group within that institution's current resources. The work group shall report to the legislature by November 15, 2012, and November 15, 2013, on its progress, anticipated outcomes, policy recommendations, and performance measures for demonstrating achievement of improved efficiencies and effectiveness.

NEW SECTION. Sec. 28. A new section is added to chapter 28B.76 RCW to read as follows:

(1) The board, the state board for community and technical colleges, the council of presidents, the four-year institutions of higher education, the private independent higher education institutions, and the private career schools shall collaborate to carry out the following goals:

(a) Increase the number of students who receive academic credit for prior learning and the number of students who receive credit for prior learning that counts towards their major or towards earning their degree, certificate, or credential, while ensuring that credit is awarded only for high quality, course-level competencies;

(b) Increase the number and type of academic credits accepted for prior learning in institutions of higher education, while ensuring that credit is awarded only for high quality, course-level competencies;

(c) Develop transparent policies and practices in awarding academic credit for prior learning;

(d) Improve prior learning assessment practices across the institutions of higher education;

(e) Create tools to develop faculty and staff knowledge and expertise in awarding credit for prior learning and to share exemplary policies and practices among institutions of higher education;

(f) Develop articulation agreements when patterns of credit for prior learning are identified for particular programs and pathways; and

(g) Develop outcome measures to track progress on the goals outlined in this section.

(2) The board shall convene the academic credit for prior learning work group.

(a) The work group must include the following members:

(i) One representative from the higher education coordinating board;

(ii) One representative from the state board for community and technical colleges;

(iii) One representative from the council of presidents;

(iv) Two representatives each from faculty from two and four-year institutions of higher education;

(v) Two representatives from private career schools;

(vi) Two representatives from business; and

(vii) Two representatives from labor.

(b) The purpose of the work group is to coordinate and implement the goals in subsection (1) of this section.

(3) The board shall report progress on the goals and outcome measures annually by December 31st.

(4) For the purposes of this section, "prior learning" means the knowledge and skills gained through work and life experience; through military training and experience; and through formal and informal education and training from in-state and out-of-state institutions including foreign institutions.

NEW SECTION. Sec. 29. (1) The legislature finds that the methods of providing funds to four-year public institutions of higher education are based upon factors such as prior years' budget provisos and inaccurate assumptions about the number of full-time equivalent enrollments. The bases for these funding assumptions have grown disconnected to legislative expectations and lack transparency and accountability.

(2) A joint select legislative task force on the baccalaureate funding formula is established. The task force shall consist of the following members:

(a) Two members from each caucus of the senate appointed by the president of the senate, two of the members must be members of the ways and means committee and two must be members of the higher education and workforce development committee; and

(b) Two members from each caucus of the house of representatives appointed by the speaker of the house of representatives, two of the members must be members of the ways and means committee and two must be members of the higher education committee.

(3) The task force shall:

(a) Review statutes and budget provisos which govern public institutions offering baccalaureate degrees;

(b) Specify the range of public interests and outcomes which are served by public expenditures for higher education services;

(c) Review the basis for the state funding of public institutions offering baccalaureate degrees; and

(d) Prepare and approve a recommended state operating budget method which offers greater efficacy, transparency, and accountability for baccalaureate institutions which receive public funds.

(4) The task force shall use legislative facilities, and staff support shall be provided by senate committee services and the house office of program research. The meetings of the task force shall be planned for times which coincide with regular meetings of legislative committees to the maximum extent possible.

(5) Members of the task force shall not be reimbursed for travel expenses.

(6) The task force shall report its findings and recommendations to the governor and appropriate committees of the legislature by January 16, 2012.

(7) This section expires June 30, 2012.

NEW SECTION. Sec. 30. This act may be known and cited as the higher education opportunity act.

NEW SECTION. Sec. 31. A new section is added to chapter 44.28 RCW to read as follows:

(1) During calendar year 2018, the joint committee shall complete a systemic performance audit of the tuition-setting authority in RCW 28B.15.067

granted to the governing boards of the state universities, regional universities, and The Evergreen State College. The audit must include a separate analysis of both the authority granted in RCW 28B.15.067(3) and the authority in RCW 28B.15.067(4). The purpose of the audit is to evaluate the impact of institutional tuition-setting authority on student access, affordability, and institutional quality.

(2) The audit must include an evaluation of the following outcomes for each four-year institution of higher education:

(a) Changes in undergraduate enrollment, retention, and graduation by race and ethnicity, gender, state and county of origin, age, and socioeconomic status;

(b) The impact on student transferability, particularly from Washington community and technical colleges;

(c) Changes in time and credits to degree;

(d) Changes in the number and availability of online programs and undergraduate enrollments in the programs;

(e) Changes in enrollments in the running start and other dual enrollment programs;

(f) Impacts on funding levels for state student financial aid programs;

(g) Any changes in the percent of students who apply for student financial aid using the free application for federal student aid (FAFSA);

(h) Any changes in the percent of students who apply for available tax credits;

(i) Information on the use of building fee revenue by fiscal or academic year; and

(j) Undergraduate tuition and fee rates compared to undergraduate tuition and fee rates at similar institutions in the global challenge states.

(3) The audit must include recommendations on whether to continue tuition-setting authority beyond the 2018-19 academic year.

(4) In conducting the audit, the auditor shall solicit input from key higher education stakeholders, including but not limited to students and their families, faculty, and staff. To the maximum extent possible, data for the University of Washington and Washington State University shall be disaggregated by branch campus.

(5) The auditor shall report findings and recommendations to the appropriate committees of the legislature by December 15, 2018.

(6) This section expires December 31, 2018.

NEW SECTION. Sec. 32. Sections 21 through 26 of this act are necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and take effect immediately.

NEW SECTION. Sec. 33. The higher education coordinating board, the state board for community and technical colleges, and the council of presidents shall convene a work group, with representatives from higher education institutions, including faculty representatives, to develop a plan for creating common course numbering for all common lower division courses at all institutions of higher education. The plan shall include, but not be limited to the following: (1) Identification of key issues and barriers to implementing common course numbering; (2) cost estimates related to implementation of common course numbering; (3) faculty and staff time required for development

and maintenance of common course numbering; (4) a definition of common courses; and (5) an implementation timeline. The plan shall be delivered to the higher education committees of the legislature and the governor by December 1, 2011.

Passed by the House May 9, 2011.

Passed by the Senate May 10, 2011.

Approved by the Governor June 6, 2011, with the exception of certain items that were vetoed.

Filed in Office of Secretary of State June 7, 2011.

Note: Governor's explanation of partial veto is as follows:

"I am returning herewith, without my approval as to Sections 13 through 25, Engrossed Second Substitute House Bill 1795 entitled:

"AN ACT Relating to the higher education opportunity act."

Sections 13 and 14 exempt higher education from the requirements of competitive solicitation for personal services contracts and other purchases that are less than \$100,000. Current law requires competitive solicitation for personal service contract greater than \$20,000 and for other purchases greater than \$35,000. Section 15 exempts higher education from the requirement that no payments may be made in advance for equipment maintenance services to be performed in excess of one year. Other legislation requires a study and the establishment of a policy regarding these practices for all of state government, including higher education institutions.

Sections 16 through 24 exempt higher education from various spending freezes, such as hiring, personal service contracts, equipment, out of state travel and training, and board member travel allowances that were imposed during the 2009-2011 biennium. These freezes expire on June 30, 2011. Due to the length of the regular legislative session and special session, sections 15, 16, 17, 18, 19 and 20 have no operative effect because the restrictions expire before the law takes effect.

Section 25 would exempt, through June 30, 2011, higher education institutions from prohibitions on wage and salary increases granted with non-state funds. These prohibitions on wage and salary increases are reinstated for the 2011-13 biennium in SB 5860 for all of state government. In addition, the underlying statute already provides an exemption for higher education to the wage and salary freeze if increases are needed for recruitment and retention purposes.

For these reason, I am vetoing Sections 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24 and 25 of Engrossed Second Substitute House Bill 1795. Higher education institutions are still prohibited from granting wage and salary increases using tuition funding for the 2011-13 biennium, unless increases are necessary for recruitment and retention.

For these reasons, I have vetoed Sections 13 through 25 of Engrossed Second Substitute House Bill 1795.

With the exception of Sections 13 through 25, Engrossed Second Substitute House Bill 1795 is approved."

CHAPTER 11

[Engrossed Second Substitute Senate Bill 5182]

OFFICE OF STUDENT FINANCIAL ASSISTANCE

AN ACT Relating to establishing the office of student financial assistance by eliminating the higher education coordinating board and transferring its functions to various entities; amending RCW 28B.76.020, 28B.76.090, 28B.76.120, 28B.76.210, 28B.76.310, 28B.76.500, 28B.76.505, 28B.76.510, 28B.76.520, 28B.76.525, 28B.76.540, 28B.76.560, 28B.76.565, 28B.76.570, 28B.76.575, 28B.76.605, 28B.76.610, 28B.76.615, 28B.76.620, 28B.76.640, 28B.76.645, 28B.76.650, 28B.76.660, 28B.76.670, 28B.76.690, 28A.600.120, 28A.600.130, 28A.600.140, 28A.600.150, 28A.230.125, 28A.600.285, 28A.630.400, 28A.650.015, 28A.660.050, 28B.04.080, 28B.07.020, 28B.07.030, 28B.10.786, 28B.10.790, 28B.10.792, 28B.10.840, 28B.12.030,

28B.12.040, 28B.12.050, 28B.12.055, 28B.12.060, 28B.12.070, 28B.15.012, 28B.15.013, 28B.15.015, 28B.15.100, 28B.15.543, 28B.15.732, 28B.15.752, 28B.15.760, 28B.15.762, 28B.50.272, 28B.92.020, 28B.92.040, 28B.92.050, 28B.92.060, 28B.92.084, 28B.92.120, 28B.92.130, 28B.92.140, 28B.92.150, 28B.95.020, 28B.95.025, 28B.95.030, 28B.95.040, 28B.95.060, 28B.95.160, 28B.97.010, 28B.97.020, 28B.102.020, 28B.102.030, 28B.102.040, 28B.102.050, 28B.102.055, 28B.102.060, 28B.102.080, 28B.105.020, 28B.105.040, 28B.105.050, 28B.105.070, 28B.105.100, 28B.105.110, 28B.106.010, 28B.106.070, 28B.108.010, 28B.108.020, 28B.108.030, 28B.108.060, 28B.109.010, 28B.109.020, 28B.109.030, 28B.109.040, 28B.109.050, 28B.109.060, 28B.109.070, 28B.109.080, 28B.110.040, 28B.115.020, 28B.115.030, 28B.115.050, 28B.115.070, 28B.115.080, 28B.115.090, 28B.115.110, 28B.115.120, 28B.115.130, 28B.115.140, 28B.116.010, 28B.116.020, 28B.116.030, 28B.116.050, 28B.116.060, 28B.116.070, 28B.117.020, 28B.117.030, 28B.117.040, 28B.117.050, 28B.117.060, 28B.117.070, 28B.118.010, 28B.118.020, 28B.118.040, 28B.118.050, 28B.118.060, 28B.119.010, 28B.119.020, 28B.119.030, 28B.119.050, 28B.120.020, 28B.133.030, 28B.133.040, 28B.133.050, 28B.135.010, 28B.135.030, 28B.135.040, 28C.18.166, and 39.86.130; reenacting and amending RCW 28B.92.030; adding a new chapter to Title 28B RCW; creating new sections; repealing RCW 28B.76.010, 28B.76.030, 28B.76.040, 28B.76.050, 28B.76.060, 28B.76.070, 28B.76.080, 28B.76.200, 28B.76.260, 28B.76.280, 28B.76.330, 28B.76.530, 28B.10.056, 28B.10.5691, 28B.15.465, 28B.15.736, 28B.15.754, 28B.15.758, 28B.76.300, and 28B.76.320; providing effective dates; providing expiration dates; and declaring an emergency.

Be it enacted by the Legislature of the State of Washington:

NEW SECTION. Sec. 1. The legislature recognizes that the state's higher education system plays a critical role in assuring Washington's continued leadership role in driving economic prosperity, innovation, and opportunity. By educating citizens for living wage jobs, producing world-class research, and helping to create vibrant communities, the state's institutions of higher education form a foundational component in assuring prosperity for our citizens.

The legislature also recognizes the significant contributions made by the higher education coordinating board in coordinating higher education policy and planning, and administering the state's financial aid programs. The board has also recently finished several significant planning efforts that will provide guidance to the legislature and to the institutions in forming priorities and deploying resources.

However, the legislature also recognizes the importance of prioritizing scarce resources for the core, front-line services that institutions provide—namely instruction, research, and robust financial aid. During times of economic downturn, policymakers must focus on those areas of public service that have the most direct and immediate impact on students. Keeping class sections open, attracting the best professors and instructors, providing comprehensive support services, and offering meaningful financial help to offset the costs of attending school must be the main concerns of policymakers.

It is for these reasons that the legislature intends to create a new office dedicated entirely to the administration of student financial aid programs. By focusing financial and governance resources on direct aid to students, the state can provide the highest level of service in this area. The legislature further intends to eliminate many of the policy and planning functions of the higher education coordinating board and rededicate those resources to the higher education institutions that provide the core, front-line services associated with instruction and research. Given the unprecedented budget crises the state is facing, the state must take the opportunity to build on the recommendations of the board and use the dollars where they can make the most direct impact.

PART I
OFFICE OF STUDENT FINANCIAL ASSISTANCE

Sec. 101. RCW 28B.76.020 and 2010 c 245 s 4 are each amended to read as follows:

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

(1) (~~"Board" means the higher education coordinating board.~~) "Council" means the council for higher education.

(2) "Four-year institutions" means the University of Washington, Washington State University, Central Washington University, Eastern Washington University, Western Washington University, and The Evergreen State College.

(3) "Major expansion" means expansion of the higher education system that requires significant new capital investment, including building new institutions, campuses, branches, or centers or conversion of existing campuses, branches, or centers that would result in a mission change.

(4) "Mission change" means a change in the level of degree awarded or institutional type not currently authorized in statute.

(5) "Office" means the office of student financial assistance.

Sec. 102. RCW 28B.76.090 and 2007 c 458 s 102 are each amended to read as follows:

(1) The office of student financial assistance is created.

(2) The purpose of the office is to administer state and federal financial aid and other education services programs, including the advanced college tuition payment program in chapter 28B.95 RCW, in a cost-effective manner.

(3) ~~The ((board)) office shall employ a director ((and may delegate agency management to the director. The director)) who shall serve at the pleasure of the ((board, shall be the executive officer of the board, and shall, under the board's supervision,)) governor and shall administer the provisions of this chapter. The ((executive)) director shall ((, with the approval of the board)): ((1)) (a) Employ necessary deputy and assistant directors and other exempt staff under chapter 41.06 RCW who shall serve at his or her pleasure on such terms and conditions as he or she determines and ((2)) (b) subject to the provisions of chapter 41.06 RCW, appoint and employ such other employees as may be required for the proper discharge of the functions of the ((board. The executive director shall exercise such additional powers, other than rule making, as may be delegated by the board by resolution. In fulfilling the duties under this chapter, the board shall make extensive use of those state agencies with responsibility for implementing and supporting postsecondary education plans and policies including but not limited to appropriate legislative groups, the postsecondary education institutions, the office of financial management, the workforce training and education coordinating board, the state board for community and technical colleges, and the office of the superintendent of public instruction. Outside consulting and service agencies may also be employed. The board may compensate these groups and consultants in appropriate ways)) office.~~

Sec. 103. RCW 28B.76.120 and 1985 c 370 s 8 are each amended to read as follows:

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The ~~((board))~~ office shall have authority to adopt rules as necessary to implement this chapter.

Sec. 104. RCW 28B.76.210 and 2010 c 245 s 10 are each amended to read as follows:

(1) The board shall collaborate with the four-year institutions including the council of presidents, the community and technical college system, and when appropriate the workforce training and education coordinating board, the superintendent of public instruction, and the independent higher educational institutions to identify budget priorities and levels of funding for higher education, including the two and four-year institutions of higher education and state financial aid programs. It is the intent of the legislature that recommendations from the board reflect not merely the sum of budget requests from multiple institutions, but prioritized funding needs for the overall system of higher education.

(2) By December of each odd-numbered year, the board shall distribute guidelines which outline the board's fiscal priorities to the institutions and the state board for community and technical colleges.

(a) The institutions and the state board for community and technical colleges shall submit an outline of their proposed operating budgets to the board no later than July 1st of each even-numbered year. Pursuant to guidelines developed by the board, operating budget outlines submitted by the institutions and the state board for community and technical colleges after January 1, 2007, shall include all policy changes and enhancements that will be requested by the institutions and the state board for community and technical colleges in their respective biennial budget requests. Operating budget outlines shall include a description of each policy enhancement, the dollar amount requested, and the fund source being requested.

(b) Capital budget outlines for the two-year institutions shall be submitted by August 15th of each even-numbered year, and shall include the prioritized ranking of the capital projects being requested, a description of each capital project, and the amount and fund source being requested.

(c) Capital budget outlines for the four-year institutions must be submitted by August 15th of each even-numbered year, and must include: The institutions' priority ranking of the project; the capital budget category within which the project will be submitted to the office of financial management in accordance with RCW 43.88D.010; a description of each capital project; and the amount and fund source being requested.

(d) The office of financial management shall reference these reporting requirements in its budget instructions.

(3) The board shall review and evaluate the operating and capital budget requests from four-year institutions and the community and technical college system based on how the requests align with the board's budget priorities, the missions of the institutions, and the statewide strategic master plan for higher education under RCW 28B.76.200.

(4) The board shall submit recommendations on the proposed operating budget and priorities to the office of financial management by October 1st of each even-numbered year, and to the legislature by January 1st of each odd-numbered year.

(5)(a) The board's capital budget recommendations for the community and technical college system and the four-year institutions must be submitted to the office of financial management and to the legislature by November 15th of each even-numbered year. ~~((The board's recommendations for the four-year institutions must include a single, prioritized list of the major projects that the board recommends be funded with state bond and building account appropriations during the forthcoming fiscal biennium. In developing this single prioritized list, the board shall:~~

~~(a) Seek to identify the combination of projects that will most cost-effectively achieve the state's goals. These goals include increasing baccalaureate and graduate degree production, particularly in high-demand fields; promoting economic development through research and innovation; providing quality, affordable educational environments; preserving existing assets; and maximizing the efficient utilization of instructional space;~~

~~(b) Be guided by the objective analysis and scoring of capital budget projects completed by the office of financial management pursuant to chapter 43.88D RCW;~~

~~(c) Anticipate (i) that state bond and building account appropriations continue at the same level during each of the two subsequent fiscal biennia as has actually been appropriated for the baccalaureate institutions during the current one; (ii) that major projects funded for design during a biennium are funded for construction during the subsequent one before state appropriations are provided for new major projects; and (iii) that minor health, safety, code, and preservation projects are funded at the same average level as in recent biennia before state appropriations are provided for new major projects;))~~

(b) The board shall develop one prioritized list of capital projects for the legislature to consider that includes all of the projects requested by the four-year institutions of higher education that were scored by the office of financial management pursuant to chapter 43.88D RCW, including projects that were previously scored but not funded. The prioritized list of capital projects shall be based on the following priorities in the following order:

(i) Office of financial management scores pursuant to chapter 43.88D RCW;

(ii) Preserving assets;

(iii) Degree production; and

(iv) Maximizing efficient use of instructional space.

(c) The board shall include all of the capital projects requested by the four-year institutions of higher education, except for the minor works projects, in the prioritized list of capital projects provided to the legislature.

(d) The form of the prioritized list for capital projects requested by the four-year institutions of higher education shall be provided as one list, ranked in priority order with the highest priority project ranked number "1" through the lowest priority project numbered last. The ranking for the prioritized list of capital projects may not:

(i) Include subpriorities;

(ii) Be organized by category;

(iii) Assume any state bond or building account biennial funding level to prioritize the list; or

(iv) Assume any specific share of projects by institution in the priority list.

(6) Institutions and the state board for community and technical colleges shall submit any supplemental budget requests and revisions to the board at the same time they are submitted to the office of financial management. The board shall submit recommendations on the proposed supplemental budget requests to the office of financial management by November 1st and to the legislature by January 1st.

Sec. 105. RCW 28B.76.310 and 2004 c 275 s 15 are each amended to read as follows:

(1) The board, in consultation with the house of representatives and senate committees responsible for higher education, the respective fiscal committees of the house of representatives and senate, the office of financial management, the state board for community and technical colleges, and the state institutions of higher education, shall develop standardized methods and protocols for measuring the undergraduate and graduate educational costs for the state universities, regional universities, and community colleges, including but not limited to the costs of instruction, costs to provide degrees in specific fields, and costs for precollege remediation.

~~(2) ((By December 1, 2004, the board must propose a schedule of regular cost study reports intended to meet the information needs of the governor's office and the legislature and the requirements of RCW 28B.76.300 and submit the proposed schedule to the higher education and fiscal committees of the house of representatives and the senate for their review.~~

~~(3))~~ The institutions of higher education shall participate in the development of cost study methods and shall provide all necessary data in a timely fashion consistent with the protocols developed.

Sec. 106. RCW 28B.76.500 and 2009 c 215 s 7 are each amended to read as follows:

(1) The ~~((board))~~ office shall administer any state program or state-administered federal program of student financial aid now or hereafter established.

(2) Each of the student financial aid programs administered by the ~~((board))~~ office shall be labeled an "opportunity pathway." Loans provided by the federal government and aid granted to students outside of the financial aid package provided through institutions of higher education are not subject to the labeling provisions in this subsection. All communication materials, including, but not limited to, printed materials, presentations, and web content, shall include the "opportunity pathway" label.

(3) If the ~~((board))~~ office develops a one-stop college information web-based portal that includes financial, academic, and career planning information, the portal shall display all available student financial aid programs, except federal student loans and aid granted to students outside of the financial aid package provided through institutions of higher education, under the "opportunity pathway" label. The portal shall also display information regarding federal tax credits related to higher education available for students or their families.

(4) The labeling requirements in this section do not change the source, eligibility requirements, or student obligations associated with each program. The ~~((board))~~ office shall customize its communications to differentiate between

programs, eligibility requirements, and student obligations, so long as the reporting provisions of this chapter are also fulfilled.

Sec. 107. RCW 28B.76.505 and 2007 c 73 s 1 are each amended to read as follows:

(1) The investment of funds from all scholarship endowment programs administered by the (~~(higher education coordinating board)~~) office shall be managed by the state investment board.

(2) The state investment board has the full power to invest, reinvest, manage, contract, sell, or exchange investment money in scholarship endowment funds. All investment and operating costs associated with the investment of a scholarship endowment fund shall be paid pursuant to RCW 43.33A.160 and 43.84.160. With the exception of these expenses, the earnings from the investments of the fund belong to the fund.

(3) Funds from all scholarship endowment programs administered by the board shall be in the custody of the state treasurer.

(4) All investments made by the state investment board shall be made with the exercise of that degree of judgment and care pursuant to RCW 43.33A.140 and the investment policies established by the state investment board.

(5) As deemed appropriate by the state investment board, money in a scholarship endowment fund may be commingled for investment with other funds subject to investment by the state investment board.

(6) The authority to establish all policies relating to scholarship endowment funds, other than the investment policies in subsections (2) through (5) of this section, resides with the (~~(higher education coordinating board)~~) office.

(7) The (~~(higher education coordinating board)~~) office may request and accept moneys from the state investment board. With the exception of expenses of the state investment board in subsection (2) of this section, disbursements from the fund shall be made only on the authorization of the (~~(higher education coordinating board,)~~) office and money in the fund may be spent only for the purposes of the endowment programs as specified in the authorizing chapter of each program.

(8) The state investment board shall routinely consult and communicate with the (~~(higher education coordinating board)~~) office on the investment policy, earnings of the scholarship endowment funds, and related needs of the programs.

Sec. 108. RCW 28B.76.510 and 1985 c 370 s 21 are each amended to read as follows:

The (~~(board)~~) office shall administer any federal act pertaining to higher education which is not administered by another state agency.

Sec. 109. RCW 28B.76.520 and 1985 c 370 s 22 are each amended to read as follows:

The (~~(board)~~) office is authorized to receive and expend federal funds and any private gifts or grants, such federal funds or private funds to be expended in accordance with the conditions contingent in such grant thereof.

Sec. 110. RCW 28B.76.525 and 2005 c 139 s 1 are each amended to read as follows:

(1) The state financial aid account is created in the custody of the state treasurer. The primary purpose of the account is to ensure that all appropriations

designated for financial aid through statewide student financial aid programs are made available to eligible students. The account shall be a nontreasury account.

(2) The ~~((higher education coordinating board))~~ office shall deposit in the account all money received for the state need grant program established under RCW 28B.92.010, the state work-study program established under chapter 28B.12 RCW, the Washington scholars program established under RCW 28A.600.110, the Washington award for vocational excellence program established under RCW 28C.04.525, and the educational opportunity grant program established under chapter 28B.101 RCW. The account shall consist of funds appropriated by the legislature for the programs listed in this subsection and private contributions to the programs. Moneys deposited in the account do not lapse at the close of the fiscal period for which they were appropriated. Both during and after the fiscal period in which moneys were deposited in the account, the ~~((board))~~ office may expend moneys in the account only for the purposes for which they were appropriated, and the expenditures are subject to any other conditions or limitations placed on the appropriations.

(3) Expenditures from the account shall be used for scholarships to students eligible for the programs according to program rules and policies.

(4) Disbursements from the account are exempt from appropriations and the allotment provisions of chapter 43.88 RCW.

(5) Only the ~~((executive))~~ director of the ~~((higher education coordinating board))~~ office or the ~~((executive))~~ director's designee may authorize expenditures from the account.

Sec. 111. RCW 28B.76.540 and 2004 c 275 s 18 are each amended to read as follows:

In addition to administrative responsibilities assigned in this chapter, the ~~((board))~~ office shall administer the programs set forth in the following statutes: RCW 28A.600.100 through 28A.600.150 (Washington scholars); chapter 28B.85 RCW (degree-granting institutions); chapter 28B.92 RCW (state need grant); chapter 28B.12 RCW (work study); RCW 28B.15.543 (tuition waivers for Washington scholars); RCW 28B.15.760 through 28B.15.766 (math and science loans); RCW 28B.15.100 (reciprocity agreement); RCW 28B.15.730 through ~~((28B.15.736))~~ 28B.15.734 (Oregon reciprocity); RCW 28B.15.750 ~~((through 28B.15.754))~~ and 28B.15.752 (Idaho reciprocity); RCW 28B.15.756 ~~((and 28B.15.758))~~ (British Columbia reciprocity); chapter 28B.101 RCW (educational opportunity grant); chapter 28B.102 RCW (future teachers conditional scholarship); chapter 28B.108 RCW (American Indian endowed scholarship); chapter 28B.109 RCW (Washington international exchange scholarship); chapter 28B.115 RCW (health professional conditional scholarship); chapter 28B.119 RCW (Washington promise scholarship); and chapter 28B.133 RCW (gaining independence for students with dependents).

Sec. 112. RCW 28B.76.560 and 1987 c 8 s 2 are each amended to read as follows:

The Washington distinguished professorship trust fund program is established.

The program shall be administered by the ~~((higher education coordinating board))~~ office.

The trust fund shall be administered by the state treasurer.

Sec. 113. RCW 28B.76.565 and 2010 1st sp.s. c 37 s 915 are each amended to read as follows:

Funds appropriated by the legislature for the distinguished professorship program shall be deposited in the distinguished professorship trust fund. At the request of the (~~higher education coordinating board~~) office under RCW 28B.76.575, the treasurer shall release the state matching funds to the designated institution's local endowment fund. No appropriation is required for expenditures from the fund. During the 2009-2011 fiscal biennium, the legislature may transfer from the distinguished professorship trust fund to the state general fund such amounts as reflect the excess fund balance in the account.

Sec. 114. RCW 28B.76.570 and 1987 c 8 s 4 are each amended to read as follows:

In consultation with the eligible institutions of higher education, the (~~higher education coordinating board~~) office shall set guidelines for the program. These guidelines may include an allocation system based on factors which include but are not limited to: The amount of money available in the trust fund; characteristics of the institutions including the size of the faculty and student body; and the number of professorships previously received.

Any allocation system shall be superseded by conditions in any act of the legislature appropriating funds for this program.

Sec. 115. RCW 28B.76.575 and 1988 c 125 s 3 are each amended to read as follows:

All state four-year institutions of higher education shall be eligible for matching trust funds. An institution may apply to the (~~higher education coordinating board~~) office for two hundred fifty thousand dollars from the fund when the institution can match the state funds with an equal amount of pledged or contributed private donations or with funds received through legislative appropriation specifically for the G. Robert Ross distinguished faculty award and designated as being qualified to be matched from trust fund moneys. These donations shall be made specifically to the professorship program, and shall be donated after July 1, 1985.

Upon an application by an institution, the (~~board~~) office may designate two hundred fifty thousand dollars from the trust fund for that institution's pledged professorship. If the pledged two hundred fifty thousand dollars is not received within three years, the (~~board~~) office shall make the designated funds available for another pledged professorship.

Once the private donation is received by the institution, the (~~higher education coordinating board~~) office shall ask the state treasurer to release the state matching funds to a local endowment fund established by the institution for the professorship.

Sec. 116. RCW 28B.76.605 and 1987 c 147 s 2 are each amended to read as follows:

The Washington graduate fellowship trust fund program is established. The program shall be administered by the (~~higher education coordinating board~~) office. The trust fund shall be administered by the state treasurer.

Sec. 117. RCW 28B.76.610 and 2010 1st sp.s. c 37 s 916 are each amended to read as follows:

Funds appropriated by the legislature for the graduate fellowship program shall be deposited in the graduate fellowship trust fund. At the request of the (~~higher education coordinating board~~) office under RCW 28B.76.620, the treasurer shall release the state matching funds to the designated institution's local endowment fund. No appropriation is required for expenditures from the fund. During the 2009-2011 fiscal biennium, the legislature may transfer from the graduate fellowship trust fund to the state general fund such amounts as reflect the excess fund balance in the account.

Sec. 118. RCW 28B.76.615 and 1987 c 147 s 4 are each amended to read as follows:

In consultation with eligible institutions of higher education, the (~~higher education coordinating board~~) office shall set guidelines for the program. These guidelines may include an allocation system based on factors which include but are not limited to: The amount of money available in the trust fund; characteristics of the institutions including the size of the faculty and student body; and the number of fellowships previously received.

Any allocation system shall be superseded by conditions in any legislative act appropriating funds for the program.

Sec. 119. RCW 28B.76.620 and 1987 c 147 s 5 are each amended to read as follows:

(1) All state four-year institutions of higher education shall be eligible for matching trust funds. Institutions may apply to the (~~higher education coordinating board~~) office for twenty-five thousand dollars from the fund when they can match the state funds with equal pledged or contributed private donations. These donations shall be made specifically to the graduate fellowship program, and shall be donated after July 1, 1987.

(2) Upon an application by an institution, the (~~board~~) office may designate twenty-five thousand dollars from the trust fund for that institution's pledged graduate fellowship fund. If the pledged twenty-five thousand dollars is not received within two years, the (~~board~~) office shall make the designated funds available for another pledged graduate fellowship fund.

(3) Once the private donation is received by the institution, the (~~higher education coordinating board~~) office shall ask the state treasurer to release the state matching funds to a local endowment fund established by the institution for the graduate fellowships.

Sec. 120. RCW 28B.76.640 and 1985 c 370 s 17 are each amended to read as follows:

The (~~board~~) office is hereby specifically directed to develop such state plans as are necessary to coordinate the state of Washington's participation within the student exchange compact programs under the auspices of the Western Interstate Commission for Higher Education, as provided by chapter 28B.70 RCW. In addition to establishing such plans the (~~board~~) office shall designate the state certifying officer for student programs.

Sec. 121. RCW 28B.76.645 and 2004 c 275 s 23 are each amended to read as follows:

In the development of any such plans as called for within RCW 28B.76.640, the (~~board~~) office shall use at least the following criteria:

(1) Students who are eligible to attend compact-authorized programs in other states shall meet the Washington residency requirements of chapter 28B.15 RCW prior to being awarded tuition assistance.

(2) For recipients named after January 1, 1995, the tuition assistance shall be in the form of loans that may be completely forgiven in exchange for the student's service within the state of Washington after graduation. The requirements for such service and provisions for loan forgiveness shall be determined in rules adopted by the ~~((board))~~ office.

(3) If appropriations are insufficient to fund all students qualifying under subsection (1) of this section, then the plans shall include criteria for student selection that would be in the best interest in meeting the state's educational needs, as well as recognizing the financial needs of students.

(4) Receipts from the payment of principal or interest or any other subsidies to which the ~~((board))~~ office as administrator is entitled, that are paid by or on behalf of participants under this section, shall be deposited with the ~~((board))~~ office and placed in an account created in this section and shall be used to cover the costs of granting the scholarships, maintaining necessary records, and making collections. The ~~((board))~~ office shall maintain accurate records of these costs, and all receipts beyond those necessary to pay such costs shall be used to grant conditional loans to eligible students.

(5) The Washington interstate commission on higher education professional student exchange program trust fund is created in the custody of the state treasurer. All receipts from loan repayment shall be deposited into the fund. Only the ~~((higher education coordinating board))~~ office, or its designee, may authorize expenditures from the fund. No appropriation is required for expenditures from this fund.

Sec. 122. RCW 28B.76.650 and 1985 c 370 s 19 are each amended to read as follows:

The ~~((board))~~ office shall periodically advise the governor and the legislature of the policy implications of the state of Washington's participation in the Western Interstate Commission for Higher Education student exchange programs as they affect long-range planning for post-secondary education, together with recommendations on the most efficient way to provide high cost or special educational programs to Washington residents.

Sec. 123. RCW 28B.76.660 and 2005 c 518 s 917 are each amended to read as follows:

(1) Recipients of the Washington scholars award or the Washington scholars-alternate award under RCW 28A.600.100 through 28A.600.150 who choose to attend an independent college or university in this state, as defined in subsection (4) of this section, and recipients of the award named after June 30, 1994, who choose to attend a public college or university in the state may receive grants under this section if moneys are available. The ~~((higher education coordinating board))~~ office shall distribute grants to eligible students under this section from moneys appropriated for this purpose. The individual grants shall not exceed, on a yearly basis, the yearly, full-time, resident, undergraduate tuition and service and activities fees in effect at the state-funded research universities. Grants to recipients attending an independent institution shall be contingent upon the institution matching on at least a dollar-for-dollar basis,

either with actual money or by a waiver of fees, the amount of the grant received by the student from the state. The ~~((higher education coordinating board))~~ office shall establish procedures, by rule, to disburse the awards as direct grants to the students.

(2) The ~~((higher education coordinating board))~~ office shall establish rules that provide for the annual awarding of grants, if moneys are available, to three Washington scholars per legislative district except for fiscal year 2007 when no more than two scholars per district shall be selected; and, if not used by an original recipient, to the Washington scholars-alternate from the same legislative district.

Beginning with scholars selected in the year 2000, if the recipients of grants fail to demonstrate in a timely manner that they will enroll in a Washington institution of higher education in the fall term of the academic year following the award of the grant or are deemed by the ~~((higher education coordinating board))~~ office to have withdrawn from college during the first academic year following the award, then the grant shall be considered relinquished. The ~~((higher education coordinating board))~~ office may then award any remaining grant amounts to the Washington scholars-alternate from the same legislative district if the grants are awarded within one calendar year of the recipient being named a Washington scholars-alternate. Washington scholars-alternates named as recipients of the grant must also demonstrate in a timely manner that they will enroll in a Washington institution of higher education during the next available term, as determined by the ~~((higher education coordinating board))~~ office. The ~~((board))~~ office may accept appeals and grant waivers to the enrollment requirements of this section based on exceptional mitigating circumstances of individual grant recipients.

To maintain eligibility for the grants, recipients must maintain a minimum grade point average at the college or university equivalent to 3.30. Students shall be eligible to receive a maximum of twelve quarters or eight semesters of grants for undergraduate study and may transfer among in-state public and independent colleges and universities during that period and continue to receive the grant as provided under RCW 28B.76.665. If the student's cumulative grade point average falls below 3.30 during the first three quarters or two semesters, that student may petition the ~~((higher education coordinating board))~~ office which shall have the authority to establish a probationary period until such time as the student's grade point average meets required standards.

(3) No grant shall be awarded to any student who is pursuing a degree in theology.

(4) As used in this section, "independent college or university" means a private, nonprofit educational institution, the main campus of which is permanently situated in the state, open to residents of the state, providing programs of education beyond the high school level leading at least to the baccalaureate degree, and accredited by the northwest association of schools and colleges as of June 9, 1988, and other institutions as may be developed that are approved by the ~~((higher education coordinating board))~~ office of financial management as meeting equivalent standards as those institutions accredited under this section.

(5) As used in this section, "public college or university" means an institution of higher education as defined in RCW 28B.10.016.

Sec. 124. RCW 28B.76.670 and 1995 1st sp.s. c 7 s 8 are each amended to read as follows:

(1) Recipients of the Washington award for vocational excellence under RCW 28C.04.520 through 28C.04.550, who receive the award after June 30, 1994, may receive a grant, if funds are available. The grant shall be used to attend a postsecondary institution located in the state of Washington. Recipients may attend an institution of higher education as defined in RCW 28B.10.016, or an independent college or university, or a licensed private vocational school. The ~~((higher education coordinating board))~~ office shall distribute grants to eligible students under this section from moneys appropriated for this purpose. The individual grants shall not exceed, on a yearly basis, the yearly, full-time, resident, undergraduate tuition and service and activities fees in effect at the state-funded research universities. In consultation with the workforce training and education coordinating board, the ~~((higher education coordinating board))~~ office shall establish procedures, by rule, to disburse the awards as direct grants to the students.

(2) To qualify for the grant, recipients shall enter the postsecondary institution within three years of high school graduation and maintain a minimum grade point average at the institution equivalent to 3.00, or, at a technical college, an above average rating. Students shall be eligible to receive a maximum of two years of grants for undergraduate study and may transfer among in-state eligible postsecondary institutions during that period and continue to receive the grant.

(3) No grant may be awarded to any student who is pursuing a degree in theology.

(4) As used in this section, "independent college or university" means a private, nonprofit educational institution, the main campus of which is permanently situated in the state, open to residents of the state, providing programs of education beyond the high school level leading at least to the baccalaureate degree, and accredited by the Northwest association of schools and colleges as of June 9, 1988, and other institutions as may be developed that are approved by the higher education coordinating board as meeting equivalent standards as those institutions accredited under this section.

(5) As used in this section, "licensed private vocational school" means a private postsecondary institution, located in the state, licensed by the workforce training and education coordinating board under chapter 28C.10 RCW, and offering postsecondary education in order to prepare persons for a vocation or profession, as defined in RCW 28C.10.020(7).

Sec. 125. RCW 28B.76.690 and 2003 c 159 s 3 are each amended to read as follows:

The ~~((higher education coordinating board))~~ office shall administer Washington's participation in the border county higher education opportunity project.

Sec. 126. RCW 28A.600.120 and 1985 c 370 s 32 are each amended to read as follows:

The ~~((higher education coordinating board))~~ office of student financial assistance shall have the responsibility for administration of the Washington scholars program. The program will be developed cooperatively with the

Washington association of secondary school principals, a voluntary professional association of secondary school principals. The cooperation of other state agencies and private organizations having interest and responsibility in public and private education shall be sought for planning assistance.

Sec. 127. RCW 28A.600.130 and 2006 c 263 s 916 are each amended to read as follows:

The (~~higher education coordinating board~~) office of student financial assistance shall establish a planning committee to develop criteria for screening and selection of the Washington scholars each year in accordance with RCW 28A.600.110(1). It is the intent that these criteria shall emphasize scholastic achievement but not exclude such criteria as leadership ability and community contribution in final selection procedures. The Washington scholars planning committee shall have members from selected state agencies and private organizations having an interest and responsibility in education, including but not limited to, the office of superintendent of public instruction, the council of presidents, the state board for community and technical colleges, and the Washington friends of higher education.

Sec. 128. RCW 28A.600.140 and 1990 c 33 s 501 are each amended to read as follows:

Each year on or before March 1st, the Washington association of secondary school principals shall submit to the (~~higher education coordinating board~~) office of student financial assistance the names of graduating senior high school students who have been identified and recommended to be outstanding in academic achievement by their school principals based on criteria to be established under RCW 28A.600.130.

Sec. 129. RCW 28A.600.150 and 2005 c 518 s 916 are each amended to read as follows:

Each year, three Washington scholars and one Washington scholars-alternate shall be selected from the students nominated under RCW 28A.600.140, except that during fiscal year 2007, no more than two scholars plus one alternate may be selected. The (~~higher education coordinating board~~) office of student financial assistance shall notify the students so designated, their high school principals, the legislators of their respective districts, and the governor when final selections have been made.

The (~~board~~) office, in conjunction with the governor's office, shall prepare appropriate certificates to be presented to the Washington scholars and the Washington scholars-alternates. An awards ceremony at an appropriate time and place shall be planned by the (~~board~~) office in cooperation with the Washington association of secondary school principals, and with the approval of the governor.

Sec. 130. RCW 28A.230.125 and 2009 c 556 s 9 are each amended to read as follows:

(1) The superintendent of public instruction, in consultation with the (~~higher education coordinating board~~) four-year institutions as defined in RCW 28B.76.020, the state board for community and technical colleges, and the workforce training and education coordinating board, shall develop for use by all public school districts a standardized high school transcript. The superintendent shall establish clear definitions for the terms "credits" and "hours" so that school

programs operating on the quarter, semester, or trimester system can be compared.

(2) The standardized high school transcript shall include a notation of whether the student has earned a certificate of individual achievement or a certificate of academic achievement.

Sec. 131. RCW 28A.600.285 and 2009 c 450 s 4 are each amended to read as follows:

The superintendent of public instruction and the (~~higher education coordinating board~~) office of student financial assistance shall develop advising guidelines to assure that students and parents understand that college credits earned in high school dual credit programs may impact eligibility for financial aid.

Sec. 132. RCW 28A.630.400 and 2006 c 263 s 815 are each amended to read as follows:

(1) The professional educator standards board and the state board for community and technical colleges, in consultation with the superintendent of public instruction, (~~the higher education coordinating board,~~) the state apprenticeship training council, and community colleges, shall adopt rules as necessary under chapter 34.05 RCW to implement the paraeducator associate of arts degree.

(2) As used in this section, a "paraeducator" is an individual who has completed an associate of arts degree for a paraeducator. The paraeducator may be hired by a school district to assist certificated instructional staff in the direct instruction of children in small and large groups, individualized instruction, testing of children, recordkeeping, and preparation of materials. The paraeducator shall work under the direction of instructional certificated staff.

(3) The training program for a paraeducator associate of arts degree shall include, but is not limited to, the general requirements for receipt of an associate of arts degree and training in the areas of introduction to childhood education, orientation to children with disabilities, fundamentals of childhood education, creative activities for children, instructional materials for children, fine art experiences for children, the psychology of learning, introduction to education, child health and safety, child development and guidance, first aid, and a practicum in a school setting.

(4) Consideration shall be given to transferability of credit earned in this program to teacher preparation programs at colleges and universities.

Sec. 133. RCW 28A.650.015 and 2009 c 556 s 17 are each amended to read as follows:

(1) The superintendent of public instruction, to the extent funds are appropriated, shall develop and implement a Washington state K-12 education technology plan. The technology plan shall be updated on at least a biennial basis, shall be developed to coordinate and expand the use of education technology in the common schools of the state. The plan shall be consistent with applicable provisions of chapter 43.105 RCW. The plan, at a minimum, shall address:

(a) The provision of technical assistance to schools and school districts for the planning, implementation, and training of staff in the use of technology in curricular and administrative functions;

(b) The continued development of a network to connect school districts, institutions of higher learning, and other sources of online information; and

(c) Methods to equitably increase the use of education technology by students and school personnel throughout the state.

(2) The superintendent of public instruction shall appoint an educational technology advisory committee to assist in the development and implementation of the technology plan in subsection (1) of this section. The committee shall include, but is not limited to, persons representing: The department of information services, educational service districts, school directors, school administrators, school principals, teachers, classified staff, higher education faculty, parents, students, business, labor, scientists and mathematicians, ~~((the higher education coordinating board,))~~ the workforce training and education coordinating board, and the state library.

(3) The plan adopted and implemented under this section may not impose on school districts any requirements that are not specifically required by federal law or regulation, including requirements to maintain eligibility for the federal schools and libraries program of the universal service fund.

Sec. 134. RCW 28A.660.050 and 2010 c 235 s 505 are each amended to read as follows:

Subject to the availability of amounts appropriated for these purposes, the conditional scholarship programs in this chapter are created under the following guidelines:

(1) The programs shall be administered by the ~~((higher education coordinating board))~~ office of student financial assistance. In administering the programs, the ~~((higher education coordinating board))~~ office has the following powers and duties:

(a) To adopt necessary rules and develop guidelines to administer the programs;

(b) To collect and manage repayments from participants who do not meet their service obligations; and

(c) To accept grants and donations from public and private sources for the programs.

(2) Requirements for participation in the conditional scholarship programs are as provided in this subsection (2).

(a) The alternative route conditional scholarship program is limited to interns of professional educator standards board-approved alternative routes to teaching programs under RCW 28A.660.040. For fiscal year 2011, priority must be given to fiscal year 2010 participants in the alternative route partnership program. In order to receive conditional scholarship awards, recipients shall:

(i) Be accepted and maintain enrollment in alternative certification routes through a professional educator standards board-approved program;

(ii) Continue to make satisfactory progress toward completion of the alternative route certification program and receipt of a residency teaching certificate; and

(iii) Receive no more than the annual amount of the scholarship, not to exceed eight thousand dollars, for the cost of tuition, fees, and educational expenses, including books, supplies, and transportation for the alternative route certification program in which the recipient is enrolled. The board may adjust

the annual award by the average rate of resident undergraduate tuition and fee increases at the state universities as defined in RCW 28B.10.016.

(b) The pipeline for paraeducators conditional scholarship program is limited to qualified paraeducators as provided by RCW 28A.660.042. In order to receive conditional scholarship awards, recipients shall:

(i) Be accepted and maintain enrollment at a community and technical college for no more than two years and attain an associate of arts degree;

(ii) Continue to make satisfactory progress toward completion of an associate of arts degree. This progress requirement is a condition for eligibility into a route one program of the alternative routes to teacher certification program for a mathematics, special education, or English as a second language endorsement; and

(iii) Receive no more than the annual amount of the scholarship, not to exceed four thousand dollars, for the cost of tuition, fees, and educational expenses, including books, supplies, and transportation for the alternative route certification program in which the recipient is enrolled. The board may adjust the annual award by the average rate of tuition and fee increases at the state community and technical colleges.

(c) The retooling to teach mathematics and science conditional scholarship program is limited to current K-12 teachers. In order to receive conditional scholarship awards:

(i) Individuals currently employed as teachers shall pursue a middle level mathematics or science, or secondary mathematics or science endorsement; or

(ii) Individuals who are certificated with an elementary education endorsement shall pursue an endorsement in middle level mathematics or science, or both; and

(iii) Individuals shall use one of the pathways to endorsement processes to receive a mathematics or science endorsement, or both, which shall include passing a mathematics or science endorsement test, or both tests, plus observation and completing applicable coursework to attain the proper endorsement; and

(iv) Individuals shall receive no more than the annual amount of the scholarship, not to exceed three thousand dollars, for the cost of tuition, test fees, and educational expenses, including books, supplies, and transportation for the endorsement pathway being pursued.

(3) The Washington professional educator standards board shall select individuals to receive conditional scholarships. In selecting recipients, preference shall be given to eligible veterans or national guard members.

(4) For the purpose of this chapter, a conditional scholarship is a loan that is forgiven in whole or in part in exchange for service as a certificated teacher employed in a Washington state K-12 public school. The state shall forgive one year of loan obligation for every two years a recipient teaches in a public school. Recipients who fail to continue a course of study leading to residency teacher certification or cease to teach in a public school in the state of Washington in their endorsement area are required to repay the remaining loan principal with interest.

(5) Recipients who fail to fulfill the required teaching obligation are required to repay the remaining loan principal with interest and any other applicable fees. The (~~higher education coordinating board~~) office of student

financial assistance shall adopt rules to define the terms for repayment, including applicable interest rates, fees, and deferments.

(6) The ~~((higher education coordinating board))~~ office of student financial assistance may deposit all appropriations, collections, and any other funds received for the program in this chapter in the future teachers conditional scholarship account authorized in RCW 28B.102.080.

Sec. 135. RCW 28B.04.080 and 2004 c 275 s 31 are each amended to read as follows:

(1) The board shall consult and cooperate with the department of social and health services; ~~((the higher education coordinating board;))~~ the superintendent of public instruction; the workforce training and education coordinating board; the employment security department; the department of labor and industries; sponsoring agencies under the federal comprehensive employment and training act (87 Stat. 839; 29 U.S.C. Sec. 801 et seq.), and any other persons or agencies as the board deems appropriate to facilitate the coordination of centers established under this chapter with existing programs of a similar nature.

(2) Annually on July 1st, each agency listed in subsection (1) of this section shall submit a description of each service or program under its jurisdiction which would support the programs and centers established by this chapter and the funds available for such support.

(3) The board shall serve as a clearinghouse for displaced homemaker information and resources and shall compile and disseminate statewide information to the centers, related agencies, and interested persons upon request.

Sec. 136. RCW 28B.07.020 and 2007 c 218 s 86 are each amended to read as follows:

As used in this chapter, the following words and terms shall have the following meanings, unless the context otherwise requires:

(1) "Authority" means the Washington higher education facilities authority created under RCW 28B.07.030 or any board, body, commission, department or officer succeeding to the principal functions of the authority or to whom the powers conferred upon the authority shall be given by law.

(2) "Bonds" means bonds, notes, commercial paper, certificates of indebtedness, or other evidences of indebtedness of the authority issued under this chapter.

(3) "Bond resolution" means any resolution of the authority, adopted under this chapter, authorizing the issuance and sale of bonds.

(4) "Higher education institution" means a private, nonprofit educational institution, the main campus of which is permanently situated in the state, which is open to residents of the state, which neither restricts entry on racial or religious grounds, which provides programs of education beyond high school leading at least to the baccalaureate degree, and which is accredited by the Northwest Association of Schools and Colleges or by an accrediting association recognized by the council for higher education ~~((coordinating board))~~.

(5) "Participant" means a higher education institution which, under this chapter, undertakes the financing of a project or projects or undertakes the refunding or refinancing of obligations, mortgages, or advances previously incurred for a project or projects.

(6) "Project" means any land or any improvement, including, but not limited to, buildings, structures, fixtures, utilities, machinery, excavations, paving, and landscaping, and any interest in such land or improvements, and any personal property pertaining or useful to such land and improvements, which are necessary, useful, or convenient for the operation of a higher education institution, including but not limited to, the following: Dormitories or other multi-unit housing facilities for students, faculty, officers, or employees; dining halls; student unions; administration buildings; academic buildings; libraries; laboratories; research facilities; computer facilities; classrooms; athletic facilities; health care facilities; maintenance, storage, or utility facilities; parking facilities; or any combination thereof, or any other structures, facilities, or equipment so related.

(7) "Project cost" means any cost related to the acquisition, construction, improvement, alteration, or rehabilitation by a participant or the authority of any project and the financing of the project through the authority, including, but not limited to, the following costs paid or incurred: Costs of acquisition of land or interests in land and any improvement; costs of contractors, builders, laborers, material suppliers, and suppliers of tools and equipment; costs of surety and performance bonds; fees and disbursements of architects, surveyors, engineers, feasibility consultants, accountants, attorneys, financial consultants, and other professionals; interest on bonds issued by the authority during any period of construction; principal of and interest on interim financing of any project; debt service reserve funds; depreciation funds, costs of the initial start-up operation of any project; fees for title insurance, document recording, or filing; fees of trustees and the authority; taxes and other governmental charges levied or assessed on any project; and any other similar costs. Except as specifically set forth in this definition, the term "project cost" does not include books, fuel, supplies, and similar items which are required to be treated as a current expense under generally accepted accounting principles.

(8) "Trust indenture" means any agreement, trust indenture, or other similar instrument by and between the authority and one or more corporate trustees.

Sec. 137. RCW 28B.07.030 and 2007 c 36 s 14 are each amended to read as follows:

(1) The Washington higher education facilities authority is hereby established as a public body corporate and politic, with perpetual corporate succession, constituting an agency of the state of Washington exercising essential governmental functions. The authority is a "public body" within the meaning of RCW 39.53.010.

(2) The authority shall consist of ~~((seven))~~ six members as follows: The governor, lieutenant governor, ~~((executive director of the higher education coordinating board,))~~ and four public members, one of whom shall be the president of a higher education institution at the time of appointment. The public members shall be residents of the state and appointed by the governor, subject to confirmation by the senate, on the basis of their interest or expertise in the provision of higher education and the financing of higher education. The public members of the authority shall serve for terms of four years. The initial terms of the public members shall be staggered in a manner determined by the governor. In the event of a vacancy on the authority due to death, resignation, or removal of one of the public members, and upon the expiration of the term of

any public member, the governor shall appoint a successor for a term expiring on the fourth anniversary of the successor's date of the appointment. If any of the state offices are abolished, the resulting vacancy on the authority shall be filled by the state officer who shall succeed substantially to the power and duties of the abolished office. Any public member of the authority may be removed by the governor for misfeasance, malfeasance, (~~willful~~) willful neglect of duty, or any other cause after notice and a public hearing, unless such notice and hearing shall be expressly waived in writing.

(3) The governor shall serve as chairperson of the authority. The authority shall elect annually one of its members as secretary. If the governor shall be absent from a meeting of the authority, the secretary shall preside. However, the governor may designate an employee of the governor's office to act on the governor's behalf in all other respects during the absence of the governor at any meeting of the authority. If the designation is in writing and is presented to the person presiding at the meetings of the authority who is included in the designation, the vote of the designee has the same effect as if cast by the governor.

(4) Any person designated by resolution of the authority shall keep a record of the proceedings of the authority and shall be the custodian of all books, documents, and papers filed with the authority, the minute book or a journal of the authority, and the authority's official seal, if any. The person may cause copies to be made of all minutes and other records and documents of the authority, and may give certificates to the effect that such copies are true copies. All persons dealing with the authority may rely upon the certificates.

(5) Four members of the authority constitute a quorum. Members participating in a meeting through the use of any means of communication by which all members participating can hear each other during the meeting shall be deemed to be present in person at the meeting for all purposes. The authority may act on the basis of a motion except when authorizing the issuance and sale of bonds, in which case the authority shall act by resolution. Bond resolutions and other resolutions shall be adopted upon the affirmative vote of four members of the authority, and shall be signed by those members voting yes. Motions shall be adopted upon the affirmative vote of a majority of a quorum of members present at any meeting of the authority. All actions taken by the authority shall take effect immediately without need for publication or other public notice. A vacancy in the membership of the authority does not impair the power of the authority to act under this chapter.

(6) The members of the authority shall be compensated in accordance with RCW 43.03.240 and shall be entitled to reimbursement, solely from the funds of the authority, for travel expenses as determined by the authority incurred in the discharge of their duties under this chapter.

Sec. 138. RCW 28B.10.786 and 1993 sp.s. c 15 s 7 are each amended to read as follows:

It is the policy of the state of Washington that financial need not be a barrier to participation in higher education. It is also the policy of the state of Washington that the essential requirements level budget calculation include funding for state student financial aid programs. The calculation should, at a minimum, include a funding level equal to the amount provided in the second year of the previous biennium in the omnibus appropriations act, adjusted for the

percentage of needy resident students, by educational sector, likely to be included in any enrollment increases necessary to maintain, by educational sector, the participation rate funded in the 1993 fiscal year. The calculation should also be adjusted to reflect, by educational sector, any increases in cost of attendance. The cost of attendance figures should be calculated by the ~~((higher education coordinating board and provided to the))~~ office of financial management and provided to the appropriate legislative committees by June 30th of each even-numbered year.

Sec. 139. RCW 28B.10.790 and 2004 c 275 s 44 are each amended to read as follows:

Washington residents attending any nonprofit college or university in another state which has a reciprocity agreement with the state of Washington shall be eligible for the student financial aid program outlined in chapter 28B.92 RCW if (1) they qualify as a "needy student" under RCW 28B.92.030~~((3))~~ (5), and (2) the institution attended is a member institution of an accrediting association recognized by rule of the ~~((higher education coordinating board))~~ office of student financial assistance for the purposes of this section and is specifically encompassed within or directly affected by such reciprocity agreement and agrees to and complies with program rules and regulations pertaining to such students and institutions adopted pursuant to RCW 28B.92.150.

Sec. 140. RCW 28B.10.792 and 1985 c 370 s 55 are each amended to read as follows:

The ~~((higher education coordinating board))~~ office of student financial assistance shall develop guidelines for determining the conditions under which an institution can be determined to be directly affected by a reciprocity agreement for the purposes of RCW 28B.10.790: PROVIDED, That no institution shall be determined to be directly affected unless students from the county in which the institution is located are provided, pursuant to a reciprocity agreement, access to Washington institutions at resident tuition and fee rates to the extent authorized by Washington law.

Sec. 141. RCW 28B.10.840 and 1985 c 370 s 57 are each amended to read as follows:

The term "institution of higher education" whenever used in RCW 28B.10.840 through 28B.10.844, shall be held and construed to mean any public institution of higher education in Washington. The term "educational board" whenever used in RCW 28B.10.840 through 28B.10.844, shall be held and construed to mean the state board for community and technical colleges ~~((education and the higher education coordinating board))~~.

Sec. 142. RCW 28B.12.030 and 2002 c 187 s 2 are each amended to read as follows:

As used in this chapter, the following words and terms shall have the following meanings, unless the context shall clearly indicate another or different meaning or intent:

(1) The term "needy student" shall mean a student enrolled or accepted for enrollment at a ~~((post-secondary))~~ postsecondary institution who, according to a system of need analysis approved by the ~~((higher education coordinating board))~~ office of student financial assistance, demonstrates a financial inability, either

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parental, familial, or personal, to bear the total cost of education for any semester or quarter.

(2) The term "eligible institution" shall mean any ~~((post-secondary))~~ postsecondary institution in this state accredited by the Northwest Association of Schools and Colleges, or a branch of a member institution of an accrediting association recognized by rule of the board for purposes of this section, that is eligible for federal student financial aid assistance and has operated as a nonprofit college or university delivering on-site classroom instruction for a minimum of twenty consecutive years within the state of Washington, or any public technical college in the state.

Sec. 143. RCW 28B.12.040 and 2009 c 560 s 21 are each amended to read as follows:

The ~~((higher education coordinating board))~~ office of student financial assistance shall develop and administer the state work-study program. The board shall be authorized to enter into agreements with employers and eligible institutions for the operation of the program. These agreements shall include such provisions as the ~~((higher education coordinating board))~~ office may deem necessary or appropriate to carry out the purposes of this chapter.

With the exception of off-campus community service placements, the share from moneys disbursed under the state work-study program of the compensation of students employed under such program in accordance with such agreements shall not exceed eighty percent of the total such compensation paid such students.

By rule, the ~~((board))~~ office shall define community service placements and may determine any salary matching requirements for any community service employers.

Sec. 144. RCW 28B.12.050 and 1994 c 130 s 5 are each amended to read as follows:

The ~~((higher education coordinating board))~~ office of student financial assistance shall disburse state work-study funds. In performing its duties under this section, the ~~((board))~~ office shall consult eligible institutions and ~~((post-secondary))~~ postsecondary education advisory and governing bodies. The ~~((board))~~ office shall establish criteria designed to achieve such distribution of assistance under this chapter among students attending eligible institutions as will most effectively carry out the purposes of this chapter.

Sec. 145. RCW 28B.12.055 and 2009 c 215 s 12 are each amended to read as follows:

(1) Within existing resources, the ~~((higher education coordinating board))~~ office of student financial assistance shall establish the work-study opportunity grant for high-demand occupations, a competitive grant program to encourage job placements in high-demand fields. The ~~((board))~~ office shall award grants to eligible institutions of higher education that have developed a partnership with a proximate organization willing to host work-study placements. Partner organizations may be nonprofit organizations, for-profit firms, or public agencies. Eligible institutions of higher education must verify that all job placements will last for a minimum of one academic quarter or one academic semester, depending on the system used by the eligible institution of higher education.

(2) The ~~((board))~~ office may adopt rules to identify high-demand fields for purposes of this section. The legislature recognizes that the high-demand fields identified by the ~~((board))~~ office may differ in different regions of the state.

(3) The ~~((board))~~ office may award grants to eligible institutions of higher education that cover both student wages and program administration.

(4) The ~~((board))~~ office shall develop performance benchmarks regarding program success including, but not limited to, the number of students served, the amount of employer contributions, and the number of participating high-demand employers.

Sec. 146. RCW 28B.12.060 and 2009 c 172 s 1 are each amended to read as follows:

The ~~((higher education coordinating board))~~ office of student financial assistance shall adopt rules as may be necessary or appropriate for effecting the provisions of this chapter, and not in conflict with this chapter, in accordance with the provisions of chapter 34.05 RCW, the ~~((state higher education))~~ administrative procedure act. Such rules shall include provisions designed to make employment under the work-study program reasonably available, to the extent of available funds, to all eligible needy students in eligible postsecondary institutions. The rules shall include:

(1) Providing work under the state work-study program that will not result in the displacement of employed workers or impair existing contracts for services;

(2) Furnishing work only to a student who:

(a) Is capable, in the opinion of the eligible institution, of maintaining good standing in such course of study while employed under the program covered by the agreement; and

(b) Has been accepted for enrollment as at least a half-time student at the eligible institution or, in the case of a student already enrolled in and attending the eligible institution, is in good standing and in at least half-time attendance there either as an undergraduate, graduate or professional student; and

(c) Is not pursuing a degree in theology;

(3) Placing priority on providing:

(a) Work opportunities for students who are residents of the state of Washington as defined in RCW 28B.15.012 and 28B.15.013, particularly former foster youth as defined in RCW 28B.92.060;

(b) Job placements in fields related to each student's academic or vocational pursuits, with an emphasis on off-campus job placements whenever appropriate; and

(c) Off-campus community service placements;

(4) To the extent practicable, limiting the proportion of state subsidy expended upon nonresident students to fifteen percent, or such less amount as specified in the biennial appropriations act;

(5) Provisions to assure that in the state institutions of higher education, utilization of this work-study program:

(a) Shall only supplement and not supplant classified positions under jurisdiction of chapter 41.06 RCW;

(b) That all positions established which are comparable shall be identified to a job classification under the director of personnel's classification plan and shall receive equal compensation;

(c) Shall not take place in any manner that would replace classified positions reduced due to lack of funds or work; and

(d) That work study positions shall only be established at entry level positions of the classified service unless the overall scope and responsibilities of the position indicate a higher level; and

(6) Provisions to encourage job placements in high employer demand occupations that meet Washington's economic development goals, including those in international trade and international relations. The ~~((board))~~ office shall permit appropriate job placements in other states and other countries.

Sec. 147. RCW 28B.12.070 and 1994 c 130 s 7 are each amended to read as follows:

Each eligible institution shall submit to the ~~((higher education coordinating board))~~ office of student financial assistance an annual report in accordance with such requirements as are adopted by the board.

Sec. 148. RCW 28B.15.012 and 2010 c 183 s 1 are each amended to read as follows:

Whenever used in this chapter:

(1) The term "institution" shall mean a public university, college, or community college within the state of Washington.

(2) The term "resident student" shall mean:

(a) A financially independent student who has had a domicile in the state of Washington for the period of one year immediately prior to the time of commencement of the first day of the semester or quarter for which the student has registered at any institution and has in fact established a bona fide domicile in this state primarily for purposes other than educational;

(b) A dependent student, if one or both of the student's parents or legal guardians have maintained a bona fide domicile in the state of Washington for at least one year immediately prior to commencement of the semester or quarter for which the student has registered at any institution;

(c) A student classified as a resident based upon domicile by an institution on or before May 31, 1982, who was enrolled at a state institution during any term of the 1982-1983 academic year, so long as such student's enrollment (excepting summer sessions) at an institution in this state is continuous;

(d) Any student who has spent at least seventy-five percent of both his or her junior and senior years in high schools in this state, whose parents or legal guardians have been domiciled in the state for a period of at least one year within the five-year period before the student graduates from high school, and who enrolls in a public institution of higher education within six months of leaving high school, for as long as the student remains continuously enrolled for three quarters or two semesters in any calendar year;

(e) Any person who has completed the full senior year of high school and obtained a high school diploma, both at a Washington public high school or private high school approved under chapter 28A.195 RCW, or a person who has received the equivalent of a diploma; who has lived in Washington for at least three years immediately prior to receiving the diploma or its equivalent; who has continuously lived in the state of Washington after receiving the diploma or its equivalent and until such time as the individual is admitted to an institution of higher education under subsection (1) of this section; and who provides to the

institution an affidavit indicating that the individual will file an application to become a permanent resident at the earliest opportunity the individual is eligible to do so and a willingness to engage in any other activities necessary to acquire citizenship, including but not limited to citizenship or civics review courses;

(f) Any person who has lived in Washington, primarily for purposes other than educational, for at least one year immediately before the date on which the person has enrolled in an institution, and who holds lawful nonimmigrant status pursuant to 8 U.S.C. Sec. (a)(15) (E)(iii), (H)(i), or (L), or who holds lawful nonimmigrant status as the spouse or child of a person having nonimmigrant status under one of those subsections, or who, holding or having previously held such lawful nonimmigrant status as a principal or derivative, has filed an application for adjustment of status pursuant to 8 U.S.C. Sec. 1255(a);

(g) A student who is on active military duty stationed in the state or who is a member of the Washington national guard;

(h) A student who is the spouse or a dependent of a person who is on active military duty stationed in the state. If the person on active military duty is reassigned out-of-state, the student maintains the status as a resident student so long as the student is continuously enrolled in a degree program;

(i) A student who resides in the state of Washington and is the spouse or a dependent of a person who is a member of the Washington national guard;

(j) A student of an out-of-state institution of higher education who is attending a Washington state institution of higher education pursuant to a home tuition agreement as described in RCW 28B.15.725;

(k) A student who meets the requirements of RCW 28B.15.0131: PROVIDED, That a nonresident student enrolled for more than six hours per semester or quarter shall be considered as attending for primarily educational purposes, and for tuition and fee paying purposes only such period of enrollment shall not be counted toward the establishment of a bona fide domicile of one year in this state unless such student proves that the student has in fact established a bona fide domicile in this state primarily for purposes other than educational;

(l) A student who resides in Washington and is on active military duty stationed in the Oregon counties of Columbia, Gilliam, Hood River, Multnomah, Clatsop, Clackamas, Morrow, Sherman, Umatilla, Union, Wallowa, Wasco, or Washington; or

(m) A student who resides in Washington and is the spouse or a dependent of a person who resides in Washington and is on active military duty stationed in the Oregon counties of Columbia, Gilliam, Hood River, Multnomah, Clatsop, Clackamas, Morrow, Sherman, Umatilla, Union, Wallowa, Wasco, or Washington. If the person on active military duty moves from Washington or is reassigned out of the Oregon counties of Columbia, Gilliam, Hood River, Multnomah, Clatsop, Clackamas, Morrow, Sherman, Umatilla, Union, Wallowa, Wasco, or Washington, the student maintains the status as a resident student so long as the student resides in Washington and is continuously enrolled in a degree program.

(3) The term "nonresident student" shall mean any student who does not qualify as a "resident student" under the provisions of this section and RCW 28B.15.013. Except for students qualifying under subsection (2)(e) or (j) of this section, a nonresident student shall include:

(a) A student attending an institution with the aid of financial assistance provided by another state or governmental unit or agency thereof, such nonresidency continuing for one year after the completion of such semester or quarter.

(b) A person who is not a citizen of the United States of America who does not have permanent or temporary resident status or does not hold "Refugee-Parolee" or "Conditional Entrant" status with the United States (~~(citizen and)~~ citizenship immigration services or is not otherwise permanently residing in the United States under color of law and who does not also meet and comply with all the applicable requirements in this section and RCW 28B.15.013.

(4) The term "domicile" shall denote a person's true, fixed and permanent home and place of habitation. It is the place where the student intends to remain, and to which the student expects to return when the student leaves without intending to establish a new domicile elsewhere. The burden of proof that a student, parent or guardian has established a domicile in the state of Washington primarily for purposes other than educational lies with the student.

(5) The term "dependent" shall mean a person who is not financially independent. Factors to be considered in determining whether a person is financially independent shall be set forth in rules (~~and regulations~~) adopted by the (~~higher education coordinating board~~) office of student financial assistance and shall include, but not be limited to, the state and federal income tax returns of the person and/or the student's parents or legal guardian filed for the calendar year prior to the year in which application is made and such other evidence as the board may require.

(6) The term "active military duty" means the person is serving on active duty in:

- (a) The armed forces of the United States government; or
- (b) The Washington national guard; or
- (c) The coast guard, merchant mariners, or other nonmilitary organization when such service is recognized by the United States government as equivalent to service in the armed forces.

Sec. 149. RCW 28B.15.013 and 1989 c 175 s 79 are each amended to read as follows:

(1) The establishment of a new domicile in the state of Washington by a person formerly domiciled in another state has occurred if such person is physically present in Washington primarily for purposes other than educational and can show satisfactory proof that such person is without a present intention to return to such other state or to acquire a domicile at some other place outside of Washington.

(2) Unless proven to the contrary it shall be presumed that:

(a) The domicile of any person shall be determined according to the individual's situation and circumstances rather than by marital status or sex.

(b) A person does not lose a domicile in the state of Washington by reason of residency in any state or country while a member of the civil or military service of this state or of the United States, nor while engaged in the navigation of the waters of this state or of the United States or of the high seas if that person returns to the state of Washington within one year of discharge from said service with the intent to be domiciled in the state of Washington; any resident dependent student who remains in this state when such student's parents, having

theretofore been domiciled in this state for a period of one year immediately prior to the time of commencement of the first day of the semester or quarter for which the student has registered at any institution, remove from this state, shall be entitled to continued classification as a resident student so long as such student's attendance (except summer sessions) at an institution in this state is continuous.

(3) To aid the institution in deciding whether a student, parent, legally appointed guardian or the person having legal custody of a student is domiciled in the state of Washington primarily for purposes other than educational, the rules and regulations adopted by the ~~((higher education coordinating board))~~ office of student financial assistance shall include but not be limited to the following:

(a) Registration or payment of Washington taxes or fees on a motor vehicle, mobile home, travel trailer, boat, or any other item of personal property owned or used by the person for which state registration or the payment of a state tax or fee is required will be a factor in considering evidence of the establishment of a Washington domicile.

(b) Permanent full time employment in Washington by a person will be a factor in considering the establishment of a Washington domicile.

(c) Registration to vote for state officials in Washington will be a factor in considering the establishment of a Washington domicile.

(4) After a student has registered at an institution such student's classification shall remain unchanged in the absence of satisfactory evidence to the contrary. A student wishing to apply for a change in classification shall reduce such evidence to writing and file it with the institution. In any case involving an application for a change from nonresident to resident status, the burden of proof shall rest with the applicant. Any change in classification, either nonresident to resident, or the reverse, shall be based upon written evidence maintained in the files of the institution and, if approved, shall take effect the semester or quarter such evidence was filed with the institution: PROVIDED, That applications for a change in classification shall be accepted up to the thirtieth calendar day following the first day of instruction of the quarter or semester for which application is made.

Sec. 150. RCW 28B.15.015 and 1985 c 370 s 64 are each amended to read as follows:

The ~~((higher education coordinating board, upon consideration of advice from representatives of the))~~ state's institutions, with the advice of the attorney general, shall adopt rules and regulations to be used by the state's institutions for determining a student's resident and nonresident status and for recovery of fees for improper classification of residency.

Sec. 151. RCW 28B.15.100 and 2011 c 274 s 5 are each amended to read as follows:

(1) The governing boards of the state universities, the regional universities, The Evergreen State College, and the community colleges shall charge to and collect from each of the students registering at the particular institution for any quarter or semester such tuition fees and services and activities fees, and other fees as such board shall in its discretion determine. For the governing boards of the state universities, the regional universities, and The Evergreen State College,

the total of all fees shall be rounded to the nearest whole dollar amount: PROVIDED, That such tuition fees shall be established in accordance with RCW 28B.15.067.

(2) Part-time students shall be charged tuition and services and activities fees proportionate to full-time student rates established for residents and nonresidents: PROVIDED, That except for students registered at community colleges, students registered for fewer than two credit hours shall be charged tuition and services and activities fees at the rate established for two credit hours: PROVIDED FURTHER, That, subject to the limitations of RCW 28B.15.910, residents of Idaho or Oregon who are enrolled in community college district number twenty for six or fewer credits during any quarter or semester may be exempted from payment of all or a portion of the nonresident tuition fees differential upon a declaration by the (~~higher education coordinating board~~) office of student financial assistance that it finds Washington residents from the community college district are afforded substantially equivalent treatment by such other states.

(3) Full-time students registered for more than eighteen credit hours shall be charged an additional operating fee for each credit hour in excess of eighteen hours at the applicable established per credit hour tuition fee rate for part-time students: PROVIDED, That, subject to the limitations of RCW 28B.15.910, the governing boards of the state universities and the community colleges may exempt all or a portion of the additional charge, for students who are registered exclusively in first professional programs in medicine, dental medicine, veterinary medicine, doctor of pharmacy, or law, or who are registered exclusively in required courses in vocational preparatory programs.

Sec. 152. RCW 28B.15.543 and 2004 c 275 s 49 are each amended to read as follows:

(1) Subject to the limitations of RCW 28B.15.910, the governing boards of the state universities, the regional universities, The Evergreen State College, and the community colleges shall waive tuition and service and activities fees for students named by the (~~higher education coordinating board~~) office of student financial assistance on or before June 30, 1994, as recipients of the Washington scholars award under RCW 28A.600.100 through 28A.600.150. The waivers shall be used only for undergraduate studies. To qualify for the waiver, recipients shall enter the college or university within three years of high school graduation and maintain a minimum grade point average at the college or university equivalent to 3.30. Students shall be eligible to receive a maximum of twelve quarters or eight semesters of waivers and may transfer among state-supported institutions of higher education during that period and continue to have the tuition and services and activities fees waived by the state-supported institution of higher education that the student attends. Should the student's cumulative grade point average fall below 3.30 during the first three quarters or two semesters, that student may petition the (~~higher education coordinating board~~) office of student financial assistance which shall have the authority to establish a probationary period until such time as the student's grade point average meets required standards.

(2) Students named by the (~~higher education coordinating board~~) office of student financial assistance after June 30, 1994, as recipients of the Washington scholars award under RCW 28A.600.100 through 28A.600.150 shall be eligible

to receive a grant for undergraduate course work as authorized under RCW 28B.76.660.

Sec. 153. RCW 28B.15.732 and 1985 c 370 s 70 are each amended to read as follows:

Prior to January 1st of each odd-numbered year the (~~higher education coordinating board, in cooperation with the state board for community college education, and~~) office of student financial assistance, in consultation with appropriate agencies and officials in the state of Oregon, shall determine for the purposes of RCW 28B.15.730 the number of students for whom nonresident tuition and fees have been waived for the first academic year of the biennium and the fall term of the second academic year, and make an estimate of the number of such students for the remainder of the second academic year, and the difference between the aggregate amount of tuition and fees that would have been paid to the respective states by residents of the other state had such waivers not been made, and the aggregate amount of tuition and fees paid by residents of the other state. Should the (~~board~~) office of student financial assistance determine that the state of Oregon has experienced a greater net tuition and fee revenue loss than institutions in Washington, it shall pay from funds appropriated for this purpose to the appropriate agency or institutions in Oregon an amount determined by subtracting the net tuition and fee revenue loss of Washington from the net tuition and fee revenue loss of Oregon, minus twenty-five thousand dollars for each year of the biennium: PROVIDED, That appropriate officials in the state of Oregon agree to make similar restitution to the state of Washington should the net tuition and fee revenue loss in Washington be greater than that in Oregon.

Sec. 154. RCW 28B.15.752 and 1985 c 370 s 74 are each amended to read as follows:

Prior to January 1st of each odd-numbered year, the (~~higher education coordinating board, in cooperation with the state board for community college education and~~) office of student financial assistance in consultation with appropriate agencies and officials in the state of Idaho, shall determine for the purposes of RCW 28B.15.750 the number of students for whom nonresident tuition and fees have been waived for the first academic year of the biennium and the fall term of the second academic year, and make an estimate of the number of such students for the remainder of the second academic year, and the difference between the aggregate amount of tuition and fees that would have been paid to the respective states by residents of the other state had such waivers not been made, and the aggregate amount of tuition and fees paid by residents of the other state. Should the (~~board~~) office of student financial assistance determine that the state of Idaho has experienced a greater net tuition and fee revenue loss than institutions in Washington, it shall pay from funds appropriated for this purpose to the appropriate agency or institution in Idaho an amount determined by subtracting the net tuition and fee revenue loss of Washington from the net tuition and fee revenue loss of Idaho, minus twenty-five thousand dollars for each year of the biennium if the appropriate officials in the state of Idaho agree to make similar restitution to the state of Washington should the net tuition and fee revenue loss in Washington be greater than that in Idaho.

Sec. 155. RCW 28B.15.760 and 2004 c 275 s 65 are each amended to read as follows:

Unless the context clearly requires otherwise, the definitions in this section apply throughout RCW 28B.15.762 and 28B.15.764.

(1) "Institution of higher education" or "institution" means a college or university in the state of Washington which is a member institution of an accrediting association recognized as such by rule of the higher education coordinating board.

(2) "Board" means the higher education coordinating board.

(3) "Eligible student" means a student registered for at least ten credit hours or the equivalent and demonstrates achievement of a 3.00 grade point average for each academic year, who is a resident student as defined by RCW 28B.15.012 through 28B.15.015, who is a "needy student" as defined in RCW 28B.92.030, and who has a declared major in a program leading to a degree in teacher education in a field of science or mathematics, or a certificated teacher who meets the same credit hour and "needy student" requirements and is seeking an additional degree in science or mathematics.

(4) "Public school" means a middle school, junior high school, or high school within the public school system referred to in Article IX of the state Constitution.

(5) "Forgiven" or "to forgive" means to collect service as a teacher in a field of science or mathematics at a public school in the state of Washington in lieu of monetary payment.

(6) "Satisfied" means paid-in-full.

(7) "Borrower" means an eligible student who has received a loan under RCW 28B.15.762.

(8) "Office" means the office of student financial assistance.

Sec. 156. RCW 28B.15.762 and 1996 c 107 s 2 are each amended to read as follows:

(1) The ~~((board))~~ office may make long-term loans to eligible students at institutions of higher education from the funds appropriated to the ~~((board))~~ office for this purpose. The amount of any such loan shall not exceed the demonstrated financial need of the student or two thousand five hundred dollars for each academic year whichever is less, and the total amount of such loans to an eligible student shall not exceed ten thousand dollars. The interest rates and terms of deferral of such loans shall be consistent with the terms of the guaranteed loan program established by 20 U.S.C. Sec. 1701 et seq. The period for repaying the loan principal and interest shall be ten years with payments accruing quarterly commencing nine months from the date the borrower graduated. The entire principal and interest of each loan payment shall be forgiven for each payment period in which the borrower teaches science or mathematics in a public school in this state until the entire loan is satisfied or the borrower ceases to teach science or mathematics at a public school in this state. Should the borrower cease to teach science or mathematics at a public school in this state before the time in which the principal and interest on the loan are satisfied, payments on the unsatisfied portion of the principal and interest on the loan shall begin the next payment period and continue until the remainder of the loan is paid.

(2) The ~~((board))~~ office is responsible for collection of loans made under subsection (1) of this section and shall exercise due diligence in such collection, maintaining all necessary records to insure that maximum repayments are made. Collection and servicing of loans under subsection (1) of this section shall be pursued using the full extent of the law, including wage garnishment if necessary, and shall be performed by entities approved for such servicing by the Washington student loan guaranty association or its successor agency. The board is responsible to forgive all or parts of such loans under the criteria established in subsection (1) of this section and shall maintain all necessary records of forgiven payments.

(3) Receipts from the payment of principal or interest or any other subsidies to which the board as lender is entitled, which are paid by or on behalf of borrowers under subsection (1) of this section, shall be deposited with the ~~((higher education coordinating board))~~ office and shall be used to cover the costs of making the loans under subsection (1) of this section, maintaining necessary records, and making collections under subsection (2) of this section. The ~~((board))~~ office shall maintain accurate records of these costs, and all receipts beyond those necessary to pay such costs shall be used to make loans to eligible students.

(4) Any funds not used to make loans, or to cover the cost of making loans or making collections, shall be placed in the state educational trust fund for needy or disadvantaged students.

(5) The ~~((board))~~ office shall adopt necessary rules to implement this section.

Sec. 157. RCW 28B.50.272 and 2007 c 277 s 102 are each amended to read as follows:

(1) To be eligible for participation in the opportunity grant program established in RCW 28B.50.271, a student must:

(a) Be a Washington resident student as defined in RCW 28B.15.012 enrolled in an opportunity grant-eligible program of study;

(b) Have a family income that is at or below two hundred percent of the federal poverty level using the most current guidelines available from the United States department of health and human services, and be determined to have financial need based on the free application for federal student aid; and

(c) Meet such additional selection criteria as the college board shall establish in order to operate the program within appropriated funding levels.

(2) Upon enrolling, the student must provide evidence of commitment to complete the program. The student must make satisfactory progress and maintain a cumulative 2.0 grade point average for continued eligibility. If a student's cumulative grade point average falls below 2.0, the student may petition the institution of higher education of attendance. The qualified institution of higher education has the authority to establish a probationary period until such time as the student's grade point average reaches required standards.

(3) Subject to funds appropriated for this specific purpose, public qualified institutions of higher education shall receive an enhancement of one thousand five hundred dollars for each full-time equivalent student enrolled in the opportunity grant program whose income is below two hundred percent of the federal poverty level. The funds shall be used for individualized support

services which may include, but are not limited to, college and career advising, tutoring, emergency child care, and emergency transportation. The qualified institution of higher education is expected to help students access all financial resources and support services available to them through alternative sources.

(4) The college board shall be accountable for student retention and completion of opportunity grant-eligible programs of study. It shall set annual performance measures and targets and monitor the performance at all qualified institutions of higher education. The college board must reduce funding at institutions of higher education that do not meet targets for two consecutive years, based on criteria developed by the college board.

(5) The college board and (~~higher education coordinating board~~) office of student financial assistance shall work together to ensure that students participating in the opportunity grant program are informed of all other state and federal financial aid to which they may be entitled while receiving an opportunity grant.

(6) The college board and (~~higher education coordinating board~~) office of student financial assistance shall document the amount of opportunity grant assistance and the types and amounts of other sources of financial aid received by participating students. Annually, they shall produce a summary of the data.

(7) The college board shall:

(a) Begin developing the program no later than August 1, 2007, with student enrollment to begin no later than January 14, 2008; and

(b) Submit a progress report to the legislature by December 1, 2008.

(8) The college board may, in implementing the opportunity grant program, accept, use, and expend or dispose of contributions of money, services, and property. All such moneys received by the college board for the program must be deposited in an account at a depository approved by the state treasurer. Only the college board or a duly authorized representative thereof may authorize expenditures from this account. In order to maintain an effective expenditure and revenue control, the account is subject in all respects to chapter 43.88 RCW, but no appropriation is required to permit expenditure of moneys in the account.

Sec. 158. RCW 28B.92.020 and 2003 c 19 s 11 are each amended to read as follows:

(1) The legislature finds that the (~~higher education coordinating board, in consultation with the~~) higher education community, has completed a review of the state need grant program. It is the intent of the legislature to endorse the (~~board's~~) proposed changes to the state need grant program, including:

(a) Reaffirmation that the primary purpose of the state need grant program is to assist low-income, needy, and disadvantaged Washington residents attending institutions of higher education;

(b) A goal that the base state need grant amount over time be increased to be equivalent to the rate of tuition charged to resident undergraduate students attending Washington state public colleges and universities;

(c) State need grant recipients be required to contribute a portion of the total cost of their education through self-help;

(d) State need grant recipients be required to document their need for dependent care assistance after taking into account other public funds provided for like purposes; and

(e) Institutional aid administrators be allowed to determine whether a student eligible for a state need grant in a given academic year may remain eligible for the ensuing year if the student's family income increases by no more than a marginal amount except for funds provided through the educational assistance grant program for students with dependents.

(2) The legislature further finds that the ~~((higher education coordinating board, under its authority to implement the proposed))~~ changes in subsection (1) of this section, should do so in a timely manner.

(3) The legislature also finds that:

(a) In most circumstances, need grant eligibility should not extend beyond five years or one hundred twenty-five percent of the published length of the program in which the student is enrolled or the credit or clock-hour equivalent; and

(b) State financial aid programs should continue to adhere to the principle that funding follows resident students to their choice of institution of higher education.

Sec. 159. RCW 28B.92.030 and 2009 c 238 s 7 and 2009 c 215 s 5 are each reenacted and amended to read as follows:

As used in this chapter:

(1) ~~((“Board” means the higher education coordinating board.~~

~~(2)))~~ “Disadvantaged student” means a ~~((post-high))~~ posthigh school student who by reason of adverse cultural, educational, environmental, experiential, familial or other circumstances is unable to qualify for enrollment as a full-time student in an institution of higher education, who would otherwise qualify as a needy student, and who is attending an institution of higher education under an established program designed to qualify the student for enrollment as a full-time student.

~~((3)))~~ (2) “Financial aid” means loans and/or grants to needy students enrolled or accepted for enrollment as a student at institutions of higher education.

~~((4)))~~ (3) “Institution” or “institutions of higher education” means:

(a) Any public university, college, community college, or technical college operated by the state of Washington or any political subdivision thereof; or

(b) Any other university, college, school, or institute in the state of Washington offering instruction beyond the high school level which is a member institution of an accrediting association recognized by rule of the board for the purposes of this section: PROVIDED, That any institution, branch, extension or facility operating within the state of Washington which is affiliated with an institution operating in another state must be a separately accredited member institution of any such accrediting association, or a branch of a member institution of an accrediting association recognized by rule of the board for purposes of this section, that is eligible for federal student financial aid assistance and has operated as a nonprofit college or university delivering on-site classroom instruction for a minimum of twenty consecutive years within the state of Washington, and has an annual enrollment of at least seven hundred full-time equivalent students: PROVIDED FURTHER, That no institution of higher education shall be eligible to participate in a student financial aid program unless it agrees to and complies with program rules and regulations adopted pursuant to RCW 28B.92.150.

~~((5))~~ (4) "Needy student" means a ~~((post-high))~~ posthigh school student of an institution of higher education who demonstrates to the board the financial inability, either through the student's parents, family and/or personally, to meet the total cost of board, room, books, and tuition and incidental fees for any semester or quarter. "Needy student" also means an opportunity internship graduate as defined by RCW 28C.18.162 who enrolls in a postsecondary program of study as defined in RCW 28C.18.162 within one year of high school graduation.

(5) "Office" means the office of student financial assistance.

(6) "Placebound student" means a student who (a) is unable to complete a college program because of family or employment commitments, health concerns, monetary inability, or other similar factors; and (b) may be influenced by the receipt of an enhanced student financial aid award to complete a baccalaureate degree at an eligible institution.

Sec. 160. RCW 28B.92.040 and 2004 c 275 s 36 are each amended to read as follows:

The ~~((board))~~ office shall be cognizant of the following guidelines in the performance of its duties:

(1) The ~~((board))~~ office shall be research oriented, not only at its inception but continually through its existence.

(2) The ~~((board))~~ office shall coordinate all existing programs of financial aid except those specifically dedicated to a particular institution by the donor.

(3) The ~~((board))~~ office shall take the initiative and responsibility for coordinating all federal student financial aid programs to ensure that the state recognizes the maximum potential effect of these programs, and shall design state programs that complement existing federal, state, and institutional programs. The ~~((board))~~ office shall ensure that state programs continue to follow the principle that state financial aid funding follows the student to the student's choice of institution of higher education.

(4) Counseling is a paramount function of the state need grant and other state student financial aid programs, and in most cases could only be properly implemented at the institutional levels; therefore, state student financial aid programs shall be concerned with the attainment of those goals which, in the judgment of the ~~((board))~~ office, are the reasons for the existence of a student financial aid program, and not solely with administration of the program on an individual basis.

(5) The "package" approach of combining loans, grants and employment for student financial aid shall be the conceptual element of the state's involvement.

(6) The ~~((board))~~ office shall ensure that allocations of state appropriations for financial aid are made to individuals and institutions in a timely manner and shall closely monitor expenditures to avoid under or overexpenditure of appropriated funds.

Sec. 161. RCW 28B.92.050 and 1999 c 345 s 4 are each amended to read as follows:

The ~~((board))~~ office shall have the following powers and duties:

(1) Conduct a full analysis of student financial aid as a means of:

(a) Fulfilling educational aspirations of students of the state of Washington,
and

(b) Improving the general, social, cultural, and economic character of the state.

Such an analysis will be a continuous one and will yield current information relevant to needed improvements in the state program of student financial aid. The ~~((board))~~ office will disseminate the information yielded by their analyses to all appropriate individuals and agents.

(2) Design a state program of student financial aid based on the data of the study referred to in this section. The state programs will supplement available federal and local aid programs. The state programs of student financial aid will not exceed the difference between the budgetary costs of attending an institution of higher education and the student's total resources, including family support, personal savings, employment, and federal, state, and local aid programs.

(3) Determine and establish criteria for financial need of the individual applicant based upon the consideration of that particular applicant. In making this determination the ~~((board))~~ office shall consider the following:

(a) Assets and income of the student.

(b) Assets and income of the parents, or the individuals legally responsible for the care and maintenance of the student.

(c) The cost of attending the institution the student is attending or planning to attend.

(d) Any other criteria deemed relevant to the ~~((board))~~ office.

(4) Set the amount of financial aid to be awarded to any individual needy or disadvantaged student in any school year.

(5) Award financial aid to needy or disadvantaged students for a school year based upon only that amount necessary to fill the financial gap between the budgetary cost of attending an institution of higher education and the family and student contribution.

(6) Review the need and eligibility of all applications on an annual basis and adjust financial aid to reflect changes in the financial need of the recipients and the cost of attending the institution of higher education.

Sec. 162. RCW 28B.92.060 and 2009 c 215 s 4 are each amended to read as follows:

In awarding need grants, the ~~((board))~~ office shall proceed substantially as follows: PROVIDED, That nothing contained herein shall be construed to prevent the ~~((board))~~ office, in the exercise of its sound discretion, from following another procedure when the best interest of the program so dictates:

(1) The ~~((board))~~ office shall annually select the financial aid award recipients from among Washington residents applying for student financial aid who have been ranked according to:

(a) Financial need as determined by the amount of the family contribution; and

(b) Other considerations, such as whether the student is a former foster youth, or is a placebound student who has completed an associate of arts or associate of science degree or its equivalent.

(2) The financial need of the highest ranked students shall be met by grants depending upon the evaluation of financial need until the total allocation has been disbursed. Funds from grants which are declined, forfeited or otherwise unused shall be reawarded until disbursed, except that eligible former foster youth shall be assured receipt of a grant.

(3) A student shall be eligible to receive a state need grant for up to five years, or the credit or clock hour equivalent of five years, or up to one hundred twenty-five percent of the published length of time of the student's program. A student may not start a new associate degree program as a state need grant recipient until at least five years have elapsed since earning an associate degree as a need grant recipient, except that a student may earn two associate degrees concurrently. Qualifications for renewal will include maintaining satisfactory academic progress toward completion of an eligible program as determined by the ~~((board))~~ office. Should the recipient terminate his or her enrollment for any reason during the academic year, the unused portion of the grant shall be returned to the state educational grant fund by the institution according to the institution's own policy for issuing refunds, except as provided in RCW 28B.92.070.

(4) In computing financial need, the ~~((board))~~ office shall determine a maximum student expense budget allowance, not to exceed an amount equal to the total maximum student expense budget at the public institutions plus the current average state appropriation per student for operating expense in the public institutions. Any child support payments received by students who are parents attending less than half-time shall not be used in computing financial need.

(5)(a) A student who is enrolled in three to six credit-bearing quarter credits, or the equivalent semester credits, may receive a grant for up to one academic year before beginning a program that leads to a degree or certificate.

(b) An eligible student enrolled on a less-than-full-time basis shall receive a prorated portion of his or her state need grant for any academic period in which he or she is enrolled on a less-than-full-time basis, as long as funds are available.

(c) An institution of higher education may award a state need grant to an eligible student enrolled in three to six credit-bearing quarter credits, or the semester equivalent, on a provisional basis if:

(i) The student has not previously received a state need grant from that institution;

(ii) The student completes the required free application for federal student aid;

(iii) The institution has reviewed the student's financial condition, and the financial condition of the student's family if the student is a dependent student, and has determined that the student is likely eligible for a state need grant; and

(iv) The student has signed a document attesting to the fact that the financial information provided on the free application for federal student aid and any additional financial information provided directly to the institution is accurate and complete, and that the student agrees to repay the institution for the grant amount if the student submitted false or incomplete information.

(6) As used in this section, "former foster youth" means a person who is at least eighteen years of age, but not more than twenty-four years of age, who was a dependent of the department of social and health services at the time he or she attained the age of eighteen.

Sec. 163. RCW 28B.92.084 and 2009 c 238 s 8 are each amended to read as follows:

(1) The ~~((board))~~ office shall work with institutions of higher education to assure that the institutions are aware of the eligibility of opportunity internship graduates for an award under this chapter.

(2) If an opportunity internship graduate enrolls within one year of high school graduation in a postsecondary program of study in an institution of higher education, including in an apprenticeship program with related and supplemental instruction provided through an institution of higher education, the graduate is eligible to receive a state need grant for up to one year. The graduate shall not be required to be enrolled on at least a half-time basis. The related and supplemental instruction provided to a graduate through an apprenticeship program shall not be required to lead to a degree or certificate.

(3) Except for the eligibility criteria for an opportunity internship graduate that are provided under this section, other rules pertaining to award of a state need grant apply.

(4) Nothing in this section precludes an opportunity internship graduate from being eligible to receive additional state need grants after the one-year grant provided in this section if the graduate meets other criteria as a needy or disadvantaged student.

Sec. 164. RCW 28B.92.120 and 2004 c 275 s 41 are each amended to read as follows:

Funds appropriated for student financial assistance to be granted pursuant to this chapter shall be disbursed as determined by the ~~((board))~~ office.

Sec. 165. RCW 28B.92.130 and 2004 c 275 s 42 are each amended to read as follows:

The ~~((board))~~ office shall be authorized to accept grants, gifts, bequests, and devises of real and personal property from any source for the purpose of granting financial aid in addition to that funded by the state.

Sec. 166. RCW 28B.92.140 and 1997 c 269 s 1 are each amended to read as follows:

The state educational trust fund is hereby established in the state treasury. The primary purpose of the trust is to pledge statewide available college student assistance to needy or disadvantaged students, especially middle and high school youth, considered at-risk of dropping out of secondary education who participate in ~~((board-))~~ approved early awareness and outreach programs and who enter any accredited Washington institution of postsecondary education within two years of high school graduation.

The ~~((board))~~ office shall deposit refunds and recoveries of student financial aid funds expended in prior fiscal periods in such account. The ~~((board))~~ office may also deposit moneys that have been contributed from other state, federal, or private sources.

Expenditures from the fund shall be for financial aid to needy or disadvantaged students. The ~~((board))~~ office may annually expend such sums from the fund as may be necessary to fulfill the purposes of this section, including not more than three percent for the costs to administer aid programs supported by the fund. All earnings of investments of balances in the state educational trust fund shall be credited to the trust fund. Expenditures from the fund shall not be subject to appropriation but are subject to allotment procedures under chapter 43.88 RCW.

Sec. 167. RCW 28B.92.150 and 2004 c 275 s 43 are each amended to read as follows:

The ~~((board))~~ office shall adopt rules as may be necessary or appropriate for effecting the provisions of this chapter, in accordance with the provisions of chapter 34.05 RCW, the administrative procedure act.

Sec. 168. RCW 28B.95.020 and 2007 c 405 s 8 are each 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 board 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) ~~(("Board"))~~ "Office" means the ~~((higher education coordinating board))~~ office of student financial assistance as defined in chapter 28B.76 RCW.

(4) "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 ~~((executive))~~ director of the ~~((higher education coordinating board))~~ 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.

(5) "Governing body" means the committee empowered by the legislature to administer the Washington advanced college tuition payment program.

(6) "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.

(7) "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.

(8) "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.

(9) "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.

(10) "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.

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

(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. 169. RCW 28B.95.025 and 2000 c 14 s 2 are each amended to read as follows:

The ~~((board))~~ office shall maintain appropriate offices and employ and fix compensation of such personnel as may be necessary to perform the advanced college tuition payment program duties. The ~~((board))~~ office shall consult with the governing body on the selection, compensation, and other issues relating to the employment of the program director. The positions are exempt from classified service under chapter 41.06 RCW. The employees shall be employees of the ~~((higher education coordinating board))~~ office.

Sec. 170. RCW 28B.95.030 and 2005 c 272 s 2 are each 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 ~~((executive))~~ director of the ~~((board))~~ office. The committee shall be supported by staff of the ~~((board))~~ 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.

(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.

(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.

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

(8) 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 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;

(l) 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.

Sec. 171. RCW 28B.95.040 and 1997 c 289 s 4 are each amended to read as follows:

The governing body may, at its discretion, allow an organization to purchase tuition units for future use as scholarships. Such organizations electing to purchase tuition units for this purpose must enter into a contract with the governing body which, at a minimum, ensures that the scholarship shall be freely given by the purchaser to a scholarship recipient. For such purchases, the purchaser need not name a beneficiary until four months before the date when the tuition units are first expected to be used.

The governing body shall formulate and adopt such rules as are necessary to determine which organizations may qualify to purchase tuition units for scholarships under this section. The governing body also may consider additional rules for the use of tuition units if purchased as scholarships.

The governing body may establish a scholarship fund with moneys from the Washington advanced college tuition payment program account. A scholarship fund established under this authority shall be administered by the ~~((higher education coordinating board))~~ office and shall be provided to students who demonstrate financial need. Financial need is not a criterion that any other organization need consider when using tuition units as scholarships. The ~~((board))~~ office also may establish its own corporate-sponsored scholarship fund under this chapter.

Sec. 172. RCW 28B.95.060 and 2007 c 214 s 13 are each amended to read as follows:

(1) The Washington advanced college tuition payment program account is created in the custody of the state treasurer. The account shall be a discrete nontreasury account retaining its interest earnings in accordance with RCW 43.79A.040.

(2)(a) Except as provided in (b) of this subsection, the governing body shall deposit in the account all money received for the program. The account shall be self-sustaining and consist of payments received from purchasers of tuition units and funds received from other sources, public or private. With the exception of

investment and operating costs associated with the investment of money by the investment board paid under RCW 43.33A.160 and 43.84.160, the account shall be credited with all investment income earned by the account. Disbursements from the account are exempt from appropriations and the allotment provisions of chapter 43.88 RCW. Money used for program administration is subject to the allotment of all expenditures. However, an appropriation is not required for such expenditures. Program administration shall include, but not be limited to: The salaries and expenses of the program personnel including lease payments, travel, and goods and services necessary for program operation; contracts for program promotion and advertisement, audits, and account management; and other general costs of conducting the business of the program.

(b) All money received by the program from the ~~((higher education coordinating board))~~ office for the GET ready for math and science scholarship program shall be deposited in the GET ready for math and science scholarship account created in RCW 28B.105.110.

(3) The assets of the account may be spent without appropriation for the purpose of making payments to institutions of higher education on behalf of the qualified beneficiaries, making refunds, transfers, or direct payments upon the termination of the Washington advanced college tuition payment program. Disbursements from the account shall be made only on the authorization of the governing body.

(4) With regard to the assets of the account, the state acts in a fiduciary, not ownership, capacity. Therefore the assets of the program are not considered state money, common cash, or revenue to the state.

Sec. 173. RCW 28B.95.160 and 2007 c 214 s 12 are each amended to read as follows:

Ownership of tuition units purchased by the ~~((higher education coordinating board))~~ office for the GET ready for math and science scholarship program under RCW 28B.105.070 shall be in the name of the state of Washington and may be redeemed by the state of Washington on behalf of recipients of GET ready for math and science scholarship program scholarships for tuition and fees.

Sec. 174. RCW 28B.97.010 and 2009 c 215 s 13 are each amended to read as follows:

(1) The Washington higher education loan program is created. The program is created to assist students in need of additional low-cost student loans and related loan benefits.

(2) The program shall be administered by the ~~((board))~~ office. In administering the program, the ~~((board))~~ office must:

- (a) Periodically assess the needs and target the benefits to selected students;
- (b) Devise a program to address the following issues related to loans:
 - (i) Issuance of low-interest educational loans;
 - (ii) Determining loan repayment obligations and options;
 - (iii) Borrowing educational loans at low interest rates;
 - (iv) Developing conditional loans that can be forgiven in exchange for service; and
- (v) Creating an emergency loan fund to help students until other state and federal long-term financing can be secured;

(c) Accept public and private contributions;
 (d) Publicize the program; and
 (e) Work with public and private colleges and universities, the state board for community and technical colleges, the workforce training and education coordinating board, and with students, to conduct periodic assessment of program needs. The ~~(board)~~ office may also consult with other groups and individuals as needed.

Sec. 175. RCW 28B.97.020 and 2009 c 215 s 14 are each amended to read as follows:

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

(1) ~~("Board" means the higher education coordinating board.~~

~~(2))~~ "Institution of higher education" means a college or university in the state of Washington that is accredited by an accrediting association recognized as such by rule of the board.

(2) "Office" means the office of student financial assistance.

(3) "Program" means the Washington higher education loan program.

(4) "Resident student" has the definition in RCW 28B.15.012(2) (a) through (d).

Sec. 176. RCW 28B.102.020 and 2004 c 58 s 2 are each amended to read as follows:

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

(1) "Conditional scholarship" means a loan that is forgiven in whole or in part if the recipient renders service as a teacher in an approved education program in this state.

(2) "Institution of higher education" or "institution" means a college or university in the state of Washington that is accredited by an accrediting association recognized as such by rule of the council for higher education ~~((coordinating board))~~.

(3) ~~("Board"))~~ "Office" means the ~~((higher education coordinating board))~~ office of student financial assistance.

(4) "Eligible student" means a student who is registered for at least six credit hours or the equivalent, demonstrates high academic achievement, is a resident student as defined by RCW 28B.15.012 and 28B.15.013, and has a declared intention to complete an approved preparation program leading to initial teacher certification or required for earning an additional endorsement, and commits to teaching service in the state of Washington.

(5) "Public school" means an elementary school, a middle school, junior high school, or high school within the public school system referred to in Article IX of the state Constitution.

(6) "Forgiven" or "to forgive" or "forgiveness" means to render service as a teacher in an approved education program in the state of Washington in lieu of monetary repayment.

(7) "Satisfied" means paid-in-full.

(8) "Participant" means an eligible student who has received a conditional scholarship or loan repayment under this chapter.

(9) "Loan repayment" means a federal student loan that is repaid in whole or in part if the recipient renders service as a teacher in an approved education program in Washington state.

(10) "Approved education program" means an education program in the state of Washington for knowledge and skills generally learned in preschool through twelfth grade. Approved education programs may include but are not limited to:

(a) K-12 schools under Title 28A RCW; or

(b) Other K-12 educational sites in the state of Washington as designated by the board.

(11) "Equalization fee" means the additional amount added to the principal of a loan under this chapter to equate the debt to that which the student would have incurred if the loan had been received through the federal subsidized Stafford student loan program.

(12) "Teacher shortage area" means a shortage of elementary or secondary school teachers in a specific subject area, discipline, classification, or geographic area as defined by the office of the superintendent of public instruction.

Sec. 177. RCW 28B.102.030 and 2004 c 58 s 3 are each amended to read as follows:

The future teachers conditional scholarship and loan repayment program is established. The program shall be administered by the ~~((higher education coordinating board))~~ office. In administering the program, the board shall have the following powers and duties:

(1) Select students to receive conditional scholarships or loan repayments;

(2) Adopt necessary rules and guidelines;

(3) Publicize the program;

(4) Collect and manage repayments from students who do not meet their teaching obligations under this chapter; and

(5) Solicit and accept grants and donations from public and private sources for the program.

Sec. 178. RCW 28B.102.040 and 2008 c 170 s 306 are each amended to read as follows:

(1) The ~~((board))~~ office may select participants based on an application process conducted by the ~~((board))~~ office or the ~~((board))~~ office may utilize selection processes for similar students in cooperation with the professional educator standards board or the office of the superintendent of public instruction.

(2) If the ~~((board))~~ office selects participants for the program, it shall establish a selection committee for screening and selecting recipients of the conditional scholarships. The criteria shall emphasize factors demonstrating excellence including but not limited to superior scholastic achievement, leadership ability, community contributions, bilingual ability, willingness to commit to providing teaching service in shortage areas, and an ability to act as a role model for students. Priority will be given to individuals seeking certification or an additional endorsement in math, science, technology education, agricultural education, business and marketing education, family and consumer science education, or special education.

Sec. 179. RCW 28B.102.050 and 2004 c 58 s 6 are each amended to read as follows:

The ((board)) office may award conditional scholarships or provide loan repayments to eligible participants from the funds appropriated to the ((board)) office for this purpose, or from any private donations, or any other funds given to the ((board)) office for this program. The amount of the conditional scholarship or loan repayment awarded an individual shall not exceed the amount of tuition and fees at the institution of higher education attended by the participant or resident undergraduate tuition and fees at the University of Washington per academic year for a full-time student, whichever is lower. Participants are eligible to receive conditional scholarships or loan repayments for a maximum of five years.

Sec. 180. RCW 28B.102.055 and 2004 c 58 s 8 are each amended to read as follows:

(1) Upon documentation of federal student loan indebtedness, the ((board)) office may enter into agreements with participants to repay all or part of a federal student loan in exchange for teaching service in an approved educational program. The ratio of loan repayment to years of teaching service for the loan repayment program shall be the same as established for the conditional scholarship program.

(2) The agreement shall specify the period of time it is in effect and detail the obligations of the ((board)) office and the participant, including the amount to be paid to the participant. The agreement may also specify the geographic location and subject matter area of teaching service for which loan repayment will be provided.

(3) At the end of each school year, a participant under this section shall provide evidence to the ((board)) office that the requisite teaching service has been provided. Upon receipt of the evidence, the ((board)) office shall pay the participant the agreed-upon amount for one year of full-time teaching service or a prorated amount for less than full-time teaching service. To qualify for additional loan repayments, the participant must be engaged in continuous teaching service as defined by the ((board)) office.

(4) The ((board)) office may, at its discretion, arrange to make the loan repayment directly to the holder of the participant's federal student loan.

(5) The ((board's)) office's obligations to a participant under this section shall cease when:

- (a) The terms of the agreement have been fulfilled;
- (b) The participant fails to maintain continuous teaching service as determined by the ((board)) office; or
- (c) All of the participant's federal student loans have been repaid.

(6) The ((board)) office shall adopt rules governing loan repayments, including approved leaves of absence from continuous teaching service and other deferments as may be necessary.

Sec. 181. RCW 28B.102.060 and 2011 c 26 s 4 are each amended to read as follows:

(1) Participants in the conditional scholarship program incur an obligation to repay the conditional scholarship, with interest and an equalization fee, unless they teach for two years in an approved education program for each year of scholarship received, under rules adopted by the ((board)) office. Participants

who teach in a designated teacher shortage area shall have one year of loan canceled for each year they teach in the shortage area.

(2) The interest rate shall be determined by the ~~((board))~~ office. Participants who fail to complete the teaching service shall incur an equalization fee based on the remaining unforgiven balance of the loan. The equalization fee shall be added to the remaining balance and repaid by the participant.

(3) The minimum payment shall be set by the ~~((board))~~ office. The maximum period for repayment shall be ten years, with payments of principal and interest commencing six months from the date the participant completes or discontinues the course of study. The interest rate shall be determined by the ~~((board))~~ office and be established by rule. Provisions for deferral of payment shall be determined by the ~~((board))~~ office. The ~~((board))~~ office shall establish an appeal process by rule.

(4) The entire principal and interest of each payment shall be forgiven for each payment period in which the participant teaches in an approved education program until the entire repayment obligation is satisfied. Should the participant cease to teach in an approved education program in this state before the participant's repayment obligation is completed, payments on the unsatisfied portion of the principal and interest shall begin the next payment period and continue until the remainder of the participant's repayment obligation is satisfied.

(5) The ~~((board))~~ office is responsible for collection of repayments made under this section and shall exercise due diligence in such collection, maintaining all necessary records to insure that maximum repayments are made. Collection and servicing of repayments under this section shall be pursued using the full extent of the law, including wage garnishment if necessary. The ~~((board))~~ office is responsible to forgive all or parts of such repayments under the criteria established in this section and shall maintain all necessary records of forgiven payments.

(6) Receipts from the payment of principal or interest or any other subsidies to which the ~~((board))~~ office as administrator is entitled, which are paid by or on behalf of participants under this section, shall be deposited in the future teachers conditional scholarship account and shall be used to cover the costs of granting the conditional scholarships, maintaining necessary records, and making collections under subsection (5) of this section. The ~~((board))~~ office shall maintain accurate records of these costs, and all receipts beyond those necessary to pay such costs shall be used to grant conditional scholarships to eligible students.

(7) The ~~((board))~~ office shall adopt rules to define the terms of repayment, including applicable interest rates, fees, and deferments.

Sec. 182. RCW 28B.102.080 and 2010 1st sp.s. c 37 s 917 are each amended to read as follows:

(1) The future teachers conditional scholarship account is created in the custody of the state treasurer. An appropriation is not required for expenditures of funds from the account. The account is not subject to allotment procedures under chapter 43.88 RCW except for moneys used for program administration.

(2) The ~~((board))~~ office shall deposit in the account all moneys received for the future teachers conditional scholarship and loan repayment program and for conditional loan programs under chapter 28A.660 RCW. The account shall be

self-sustaining and consist of funds appropriated by the legislature for the future teachers conditional scholarship and loan repayment program, private contributions to the program, receipts from participant repayments from the future teachers conditional scholarship and loan repayment program, and conditional loan programs established under chapter 28A.660 RCW. Beginning July 1, 2004, the ~~((board))~~ office shall also deposit into the account: (a) All funds from the institution of higher education loan account that are traceable to any conditional scholarship program for teachers or prospective teachers established by the legislature before June 10, 2004; and (b) all amounts repaid by individuals under any such program.

(3) Expenditures from the account may be used solely for conditional loans and loan repayments to participants in the future teachers conditional scholarship and loan repayment program established by this chapter, conditional scholarships for participants in programs established in chapter 28A.660 RCW, and costs associated with program administration by the ~~((board))~~ office.

(4) Disbursements from the account may be made only on the authorization of the ~~((board))~~ office.

(5) During the 2009-2011 fiscal biennium, the legislature may transfer from the future teachers conditional scholarship account to the state general fund such amounts as reflect the excess fund balance of the account.

Sec. 183. RCW 28B.105.020 and 2007 c 214 s 2 are each amended to read as follows:

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

(1) ~~(("Board" means the higher education coordinating board.~~

~~(2)))~~ "GET units" means tuition units under the advanced college tuition payment program in chapter 28B.95 RCW.

~~((3)))~~ (2) "Institution of higher education" has the same meaning as in RCW 28B.92.030.

(3) "Office" means the office of student financial assistance.

(4) "Program administrator" means the private nonprofit corporation that is registered under Title 24 RCW and qualified as a tax-exempt entity under section 501(c)(3) of the federal internal revenue code, that will serve as the private partner in the public-private partnership under this chapter.

(5) "Qualified program" or "qualified major" means a mathematics, science, or related degree program or major line of study offered by an institution of higher education that is included on the list of programs or majors selected by the board and the program administrator under RCW 28B.105.100.

Sec. 184. RCW 28B.105.040 and 2007 c 214 s 4 are each amended to read as follows:

(1) If the student enrolls in a qualified program or declares a qualified major and the program or major is subsequently removed from the list of qualified programs and qualified majors by the ~~((board))~~ office and the program administrator, the student's eligibility to receive a GET ready for math and science scholarship shall not be affected.

(2) If a student who received a GET ready for math and science scholarship ceases to be enrolled in an institution of higher education, withdraws or is no longer enrolled in a qualified program, declares a major that is not a qualified

major, or otherwise is no longer eligible to receive a GET ready for math and science scholarship, the student shall notify the program administrator as soon as practicable and is not eligible for further GET ready for math and science scholarship awards. Such a student shall also repay the amount of the GET ready for math and science scholarship awarded to the student as required by RCW 28B.105.050.

Sec. 185. RCW 28B.105.050 and 2007 c 214 s 5 are each amended to read as follows:

(1) A recipient of a GET ready for math and science scholarship incurs an obligation to repay the scholarship, with interest and an equalization fee, if he or she does not:

(a) Graduate with a bachelor's degree from a qualified program or in a qualified major within five years of first enrolling at an institution of higher education; and

(b) Work in Washington in a mathematics, science, or related occupation full time for at least three years following completion of a bachelor's degree, unless he or she is enrolled in a graduate degree program as provided in subsection (4) of this section.

(2) A former scholarship recipient who has earned a bachelor's degree shall annually verify to the ~~((board))~~ office that he or she is working full time in a mathematics, science, or related field for three years.

(3) If a former scholarship recipient begins but then stops working full time in a mathematics, science, or related field within three years following completion of a bachelor's degree, he or she shall pay back a prorated portion of the amount of the GET ready for math and science scholarship award received by the recipient, plus interest and a prorated equalization fee.

(4) A recipient may postpone for up to three years his or her in-state work obligation if he or she enrolls full time in a graduate degree program in mathematics, science, or a related field.

Sec. 186. RCW 28B.105.070 and 2007 c 214 s 7 are each amended to read as follows:

The ~~((board))~~ office shall:

(1) Purchase GET units to be owned and held in trust by the ~~((board))~~ office, for the purpose of scholarship awards as provided for in this section;

(2) Distribute scholarship funds, in the form of GET units or through direct payments from the GET ready for math and science scholarship account, to institutions of higher education on behalf of eligible recipients identified by the program administrator;

(3) Provide the program administrator with annual reports regarding enrollment, contact, and graduation information of GET ready for math and science scholarship recipients, if the recipients have given permission for the ~~((board))~~ office to do so;

(4) Collect repayments from former scholarship recipients who do not meet the eligibility criteria or work obligations;

(5) Establish rules for scholarship repayment, approved leaves of absence, deferments, and exceptions to recognize extenuating circumstances that may impact students; and

(6) Provide information to school districts in Washington, at least once per year, about the GET ready for math and science scholarship program.

Sec. 187. RCW 28B.105.100 and 2007 c 214 s 10 are each amended to read as follows:

The ~~((board))~~ office and the program administrator shall jointly:

(1) Determine criteria for qualifying undergraduate programs, majors, and courses leading to a bachelor's degree in mathematics, science, or a related field, offered by institutions of higher education. The ~~((board))~~ office shall publish the criteria for qualified courses, and lists of qualified programs and qualified majors, on its web site on a biennial basis; and

(2) Establish criteria for selecting among eligible applicants those who, without scholarship assistance, would be least likely to pursue a qualified undergraduate program at an institution of higher education in Washington state.

Sec. 188. RCW 28B.105.110 and 2010 1st sp.s. c 37 s 918 are each amended to read as follows:

(1) The GET ready for math and science scholarship account is created in the custody of the state treasurer.

(2) The ~~((board))~~ office shall deposit into the account all money received for the GET ready for math and science scholarship program from appropriations and private sources. The account shall be self-sustaining.

(3) Expenditures from the account shall be used for scholarships to eligible students and for purchases of GET units. Purchased GET units shall be owned and held in trust by the ~~((board))~~ office. Expenditures from the account shall be an equal match of state appropriations and private funds raised by the program administrator. During the 2009-2011 fiscal biennium, expenditures from the account not to exceed five percent may be used by the program administrator to carry out the provisions of RCW 28B.105.090.

(4) With the exception of the operating costs associated with the management of the account by the treasurer's office as authorized in chapter 43.79A RCW, the account shall be credited with all investment income earned by the account.

(5) Disbursements from the account are exempt from appropriations and the allotment provisions of chapter 43.88 RCW.

(6) Disbursements from the account shall be made only on the authorization of the ~~((board))~~ office.

~~(7) ((During the 2007-2009 fiscal biennium, the legislature may transfer state appropriations to the GET ready for math and science scholarship account that have not been matched by private contributions to the state general fund.~~

~~(8))~~ During the 2009-2011 fiscal biennium, the legislature may transfer from the GET ready for math and science scholarship account to the state general fund such amounts as have not been donated from or matched by private contributions.

Sec. 189. RCW 28B.106.010 and 1988 c 125 s 9 are each amended to read as follows:

The following definitions shall apply throughout this chapter, unless the context clearly indicates otherwise:

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(1) "College savings bonds" or "bonds" are Washington state general obligation bonds, issued under the authority of and in accordance with this chapter.

(2) (~~"Board"~~) "Office" means the (~~(higher education coordinating board)~~) office of student financial assistance, or any successor thereto.

Sec. 190. RCW 28B.106.070 and 1988 c 125 s 16 are each amended to read as follows:

The (~~board~~) office and the state finance committee shall create and implement marketing strategies and educational programs designed to publicize the college savings bond program to Washington residents.

Sec. 191. RCW 28B.108.010 and 2004 c 275 s 69 are each amended to read as follows:

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

(1) "Institution of higher education" or "institution" means a college or university in the state of Washington which is accredited by an accrediting association recognized as such by rule of the council for higher education (~~(coordinating board)~~).

(2) (~~"Board"~~) "Office" means the (~~(higher education coordinating board)~~) office of student financial assistance.

(3) "Eligible student" or "student" means an American Indian who is a financially needy student, as defined in RCW 28B.92.030, who is a resident student, as defined by RCW 28B.15.012(2), who is a full-time student at an institution of higher education, and who promises to use his or her education to benefit other American Indians.

Sec. 192. RCW 28B.108.020 and 2009 c 259 s 1 are each amended to read as follows:

The American Indian endowed scholarship program is created. The program shall be administered by the (~~(higher education coordinating board)~~) office. In administering the program, the board's powers and duties shall include but not be limited to:

(1) Selecting students to receive scholarships, with the assistance of a screening committee composed of persons involved in helping American Indian students to obtain a higher education. The membership of the committee may include, but is not limited to representatives of: Indian tribes, urban Indians, the governor's office of Indian affairs, the Washington state Indian education association, and institutions of higher education;

(2) Adopting necessary rules and guidelines;

(3) Publicizing the program;

(4) Accepting and depositing donations into the endowment fund created in RCW 28B.108.060;

(5) Requesting from the state investment board and accepting from the state treasurer moneys earned from the endowment fund created in RCW 28B.108.060;

(6) Soliciting and accepting grants and donations from public and private sources for the program; and

(7) Naming scholarships in honor of those American Indians from Washington who have acted as role models.

Sec. 193. RCW 28B.108.030 and 1991 c 228 s 11 are each amended to read as follows:

The (~~higher education coordinating board~~) office shall establish an advisory committee to assist in program design and to develop criteria for the screening and selection of scholarship recipients. The committee shall be composed of representatives of the same groups as the screening committee described in RCW 28B.108.020. The criteria shall assess the student's social and cultural ties to an American Indian community within the state. The criteria shall include a priority for upper-division or graduate students. The criteria may include a priority for students who are majoring in program areas in which expertise is needed by the state's American Indians.

Sec. 194. RCW 28B.108.060 and 2009 c 259 s 2 are each amended to read as follows:

The American Indian scholarship endowment fund is created in the custody of the state treasurer. The investment of the endowment fund shall be managed by the state investment board. Funds appropriated by the legislature for the endowment fund must be deposited into the fund.

(1) Moneys received from the (~~higher education coordinating board~~) office, private donations, state moneys, and funds received from any other source may be deposited into the endowment fund. Private moneys received as a gift subject to conditions may be deposited into the fund.

(2) At the request of the (~~higher education coordinating board~~) office, the state investment board shall release earnings from the endowment fund to the state treasurer. The state treasurer shall then release those funds at the request of the (~~higher education coordinating board~~) office for scholarships. No appropriation is required for expenditures from the endowment fund.

(3) When notified by the (~~higher education coordinating board~~) office that a condition attached to a gift of private moneys in the fund has failed, the state investment board shall release those moneys to the (~~higher education coordinating board~~) office. The (~~higher education coordinating board~~) office shall then release the moneys to the donors according to the terms of the conditional gift.

(4) The principal of the endowment fund shall not be invaded. The release of moneys under subsection (3) of this section shall not constitute an invasion of corpus.

(5) The earnings on the fund shall be used solely for the purposes set forth in RCW 28B.108.040, except when the terms of a conditional gift of private moneys in the fund require that a portion of earnings on such moneys be reinvested in the fund.

Sec. 195. RCW 28B.109.010 and 1996 c 253 s 401 are each amended to read as follows:

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

(1) (~~"Board" means the higher education coordinating board.~~

(2)) "Eligible participant" means an international student whose country of residence has a trade relationship with the state of Washington.

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~~((3))~~ (2) "Institution of higher education" or "institution" means a college or university in the state of Washington that is accredited by an accrediting association recognized as such by rule of the board.

(3) "Office" means the office of student financial assistance.

(4) "Service obligation" means volunteering for a minimum number of hours as established by the board based on the amount of scholarship award, to speak to or teach groups of Washington citizens, including but not limited to elementary, middle, and high schools, service clubs, and universities.

(5) "Washington international exchange scholarship program" means a scholarship award for a period not to exceed one academic year to attend a Washington institution of higher education made to an international student whose country has an established trade relationship with Washington.

Sec. 196. RCW 28B.109.020 and 1996 c 253 s 402 are each amended to read as follows:

The Washington international exchange scholarship program is created subject to funding under RCW 28B.109.060. The program shall be administered by the ~~((board))~~ office. In administering the program, the ~~((board))~~ office may:

(1) Convene an advisory committee that may include but need not be limited to representatives of the office of the superintendent of public instruction, the department of ~~((community, trade, and economic development))~~ commerce, the secretary of state, private business, and institutions of higher education;

(2) Select students to receive the scholarship with the assistance of a screening committee composed of leaders in business, international trade, and education;

(3) Adopt necessary rules and guidelines including rules for disbursing scholarship funds to participants;

(4) Publicize the program;

(5) Solicit and accept grants and donations from public and private sources for the program;

(6) Establish and notify participants of service obligations; and

(7) Establish a formula for selecting the countries from which participants may be selected in consultation with the *department of community, trade, and economic development.

Sec. 197. RCW 28B.109.030 and 1996 c 253 s 403 are each amended to read as follows:

The ~~((board))~~ office may negotiate and enter into a reciprocal agreement with foreign countries that have international students attending institutions in Washington. The goal of the reciprocal agreements shall be to allow Washington students enrolled in an institution of higher education to attend an international institution under similar terms and conditions.

Sec. 198. RCW 28B.109.040 and 1996 c 253 s 404 are each amended to read as follows:

If funds are available, the ~~((board))~~ office shall select students yearly to receive a Washington international exchange student scholarship from moneys earned from the Washington international exchange scholarship endowment fund created in RCW 28B.109.060, from funds appropriated to the ~~((board))~~

office for this purpose, or from any private donations, or from any other funds given to the ((~~board~~)) office for this program.

Sec. 199. RCW 28B.109.050 and 1996 c 253 s 405 are each amended to read as follows:

The Washington international exchange trust fund is established in the custody of the state treasurer. Any funds appropriated by the legislature for the trust fund shall be deposited into the fund. At the request of the ((~~board~~)) office, and when conditions set forth in RCW 28B.109.070 are met, the treasurer shall deposit state matching moneys from the Washington international exchange trust fund into the Washington international exchange scholarship endowment fund. No appropriation is required for expenditures from the trust fund.

Sec. 200. RCW 28B.109.060 and 1996 c 253 s 406 are each amended to read as follows:

The Washington international exchange scholarship endowment fund is established in the custody of the state treasurer. Moneys received from the private donations and funds received from any other source may be deposited into the endowment fund. At the request of the ((~~board~~)) office, the treasurer shall release earnings from the endowment fund to the ((~~board~~)) office for scholarships. No appropriation is required for expenditures from the endowment fund. The principal of the endowment fund shall not be invaded. The earnings on the fund shall be used solely for the purposes in this chapter.

Sec. 201. RCW 28B.109.070 and 1996 c 253 s 407 are each amended to read as follows:

The ((~~board~~)) office may request that the treasurer deposit state matching funds into the Washington international exchange scholarship endowment fund when the ((~~board~~)) office can match the state funds with an equal amount of private cash donations, including conditional gifts.

Sec. 202. RCW 28B.109.080 and 1996 c 253 s 408 are each amended to read as follows:

Each Washington international exchange scholarship recipient shall agree to complete the service obligation as defined by the ((~~board~~)) office.

Sec. 203. RCW 28B.110.040 and 1997 c 5 s 5 are each amended to read as follows:

The executive director of the higher education coordinating board, in consultation with the council of presidents and the state board for community and technical colleges, shall monitor the compliance by institutions of higher education with this chapter.

(1) The board shall establish a timetable and guidelines for compliance with this chapter.

(2) By November 30, 1990, each institution shall submit to the board for approval a plan to comply with the requirements of RCW 28B.110.030. The plan shall contain measures to ensure institutional compliance with the provisions of this chapter by September 30, 1994. If participation in activities, such as intercollegiate athletics and matriculation in academic programs is not proportionate to the percentages of male and female enrollment, the plan should outline efforts to identify barriers to equal participation and to encourage gender equity in all aspects of college and university life.

~~(3) ((The board shall report every four years, beginning December 31, 1998, to the governor and the higher education committees of the house of representatives and the senate on institutional efforts to comply with this chapter. The report shall include recommendations on measures to assist institutions with compliance. This report may be combined with the report required in RCW 28B.15.465.~~

~~(4))~~ The board may delegate to the state board for community and technical colleges any or all responsibility for community college compliance with the provisions of this chapter.

Sec. 204. RCW 28B.115.020 and 2011 c 26 s 1 are each amended to read as follows:

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

(1) (~~"Board"~~) "Office" means the (~~higher education coordinating board~~) office of student financial assistance.

(2) "Department" means the state department of health.

(3) "Eligible education and training programs" means education and training programs approved by the department that lead to eligibility for a credential as a credentialed health care professional.

(4) "Eligible expenses" means reasonable expenses associated with the costs of acquiring an education such as tuition, books, equipment, fees, room and board, and other expenses determined by the (~~board~~) office.

(5) "Eligible student" means a student who has been accepted into an eligible education or training program and has a declared intention to serve in a health professional shortage area upon completion of the education or training program.

(6) "Forgiven" or "to forgive" or "forgiveness" means to render health care services in a health professional shortage area in the state of Washington in lieu of monetary repayment.

(7) "Health professional shortage areas" means those areas where credentialed health care professionals are in short supply as a result of geographic maldistribution or as the result of a short supply of credentialed health care professionals in specialty health care areas and where vacancies exist in serious numbers that jeopardize patient care and pose a threat to the public health and safety. The department shall determine health professional shortage areas as provided for in RCW 28B.115.070. In making health professional shortage area designations in the state the department may be guided by applicable federal standards for "health manpower shortage areas," and "medically underserved areas," and "medically underserved populations."

(8) "Credentialed health care profession" means a health care profession regulated by a disciplining authority in the state of Washington under RCW 18.130.040 or by the state board of pharmacy under chapter 18.64 RCW and designated by the department in RCW 28B.115.070 as a profession having shortages of credentialed health care professionals in the state.

(9) "Credentialed health care professional" means a person regulated by a disciplining authority in the state of Washington to practice a health care profession under RCW 18.130.040 or by the state board of pharmacy under chapter 18.64 RCW.

(10) "Loan repayment" means a loan that is paid in full or in part if the participant renders health care services in a health professional shortage area as defined by the department.

(11) "Nonshortage rural area" means a nonurban area of the state of Washington that has not been designated as a rural physician shortage area. The department shall identify the nonshortage rural areas of the state.

(12) "Participant" means a credentialed health care professional who has received a loan repayment award and has commenced practice as a credentialed health care provider in a designated health professional shortage area or an eligible student who has received a scholarship under this program.

(13) "Program" means the health professional loan repayment and scholarship program.

(14) "Required service obligation" means an obligation by the participant to provide health care services in a health professional shortage area for a period to be established as provided for in this chapter.

(15) "Rural physician shortage area" means rural geographic areas where primary care physicians are in short supply as a result of geographic maldistributions and where their limited numbers jeopardize patient care and pose a threat to public health and safety. The department shall designate rural physician shortage areas.

(16) "Satisfied" means paid-in-full.

(17) "Scholarship" means a loan that is forgiven in whole or in part if the recipient renders health care services in a health professional shortage area.

(18) "Sponsoring community" means a rural hospital or hospitals as authorized in chapter 70.41 RCW, a rural health care facility or facilities as authorized in chapter 70.175 RCW, or a city or county government or governments.

Sec. 205. RCW 28B.115.030 and 1991 c 332 s 16 are each amended to read as follows:

The health professional loan repayment and scholarship program is established for credentialed health professionals serving in health professional shortage areas. The program shall be administered by the ~~((higher education coordinating board))~~ office. In ~~((administrating))~~ administering this program, the ~~((board))~~ office shall:

(1) Select credentialed health care professionals to participate in the loan repayment portion of the loan repayment and scholarship program and select eligible students to participate in the scholarship portion of the loan repayment and scholarship program;

(2) Adopt rules and develop guidelines to administer the program;

(3) Collect and manage repayments from participants who do not meet their service obligations under this chapter;

(4) Publicize the program, particularly to maximize participation among individuals in shortage areas and among populations expected to experience the greatest growth in the workforce;

(5) Solicit and accept grants and donations from public and private sources for the program; and

(6) Develop criteria for a contract for service in lieu of the service obligation where appropriate, that may be a combination of service and payment.

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Sec. 206. RCW 28B.115.050 and 2004 c 275 s 70 are each amended to read as follows:

The ((board)) office shall establish a planning committee to assist it in developing criteria for the selection of participants. The ((board)) office shall include on the planning committee representatives of the department, the department of social and health services, appropriate representatives from health care facilities, provider groups, consumers, the state board for community and technical colleges, the superintendent of public instruction, and other appropriate public and private agencies and organizations. The criteria may require that some of the participants meet the definition of "needy student" under RCW 28B.92.030.

Sec. 207. RCW 28B.115.070 and 2003 c 278 s 3 are each amended to read as follows:

After June 1, 1992, the department, in consultation with the ((board)) office and the department of social and health services, shall:

(1) Determine eligible credentialed health care professions for the purposes of the loan repayment and scholarship program authorized by this chapter. Eligibility shall be based upon an assessment that determines that there is a shortage or insufficient availability of a credentialed profession so as to jeopardize patient care and pose a threat to the public health and safety. The department shall consider the relative degree of shortages among professions when determining eligibility. The department may add or remove professions from eligibility based upon the determination that a profession is no longer in shortage. Should a profession no longer be eligible, participants or eligible students who have received scholarships shall be eligible to continue to receive scholarships or loan repayments until they are no longer eligible or until their service obligation has been completed;

(2) Determine health professional shortage areas for each of the eligible credentialed health care professions.

Sec. 208. RCW 28B.115.080 and 1993 c 492 s 271 are each amended to read as follows:

After June 1, 1992, the ((board)) office, in consultation with the department and the department of social and health services, shall:

(1) Establish the annual award amount for each credentialed health care profession which shall be based upon an assessment of reasonable annual eligible expenses involved in training and education for each credentialed health care profession. The annual award amount may be established at a level less than annual eligible expenses. The annual award amount shall be established by the ((board)) office for each eligible health profession. The awards shall not be paid for more than a maximum of five years per individual;

(2) Determine any scholarship awards for prospective physicians in such a manner to require the recipients declare an interest in serving in rural areas of the state of Washington. Preference for scholarships shall be given to students who reside in a rural physician shortage area or a nonshortage rural area of the state prior to admission to the eligible education and training program in medicine. Highest preference shall be given to students seeking admission who are recommended by sponsoring communities and who declare the intent of serving as a physician in a rural area. The ((board)) office may require the sponsoring

community located in a nonshortage rural area to financially contribute to the eligible expenses of a medical student if the student will serve in the nonshortage rural area;

(3) Establish the required service obligation for each credentialed health care profession, which shall be no less than three years or no more than five years. The required service obligation may be based upon the amount of the scholarship or loan repayment award such that higher awards involve longer service obligations on behalf of the participant;

(4) Determine eligible education and training programs for purposes of the scholarship portion of the program;

(5) Honor loan repayment and scholarship contract terms negotiated between the ((board)) office and participants prior to May 21, 1991, concerning loan repayment and scholarship award amounts and service obligations authorized under chapter 28B.115, 28B.104, or 70.180 RCW.

Sec. 209. RCW 28B.115.090 and 2003 c 278 s 4 are each amended to read as follows:

(1) The ((board)) office may grant loan repayment and scholarship awards to eligible participants from the funds appropriated for this purpose, or from any private or public funds given to the ((board)) office for this purpose. Participants are ineligible to receive loan repayment if they have received a scholarship from programs authorized under this chapter or chapter 70.180 RCW or are ineligible to receive a scholarship if they have received loan repayment authorized under this chapter or chapter 28B.115 RCW.

(2) Funds appropriated for the program, including reasonable administrative costs, may be used by the ((board)) office for the purposes of loan repayments or scholarships. The ((board)) office shall annually establish the total amount of funding to be awarded for loan repayments and scholarships and such allocations shall be established based upon the best utilization of funding for that year.

(3) One portion of the funding appropriated for the program shall be used by the ((board)) office as a recruitment incentive for communities participating in the community-based recruitment and retention program as authorized by chapter 70.185 RCW; one portion of the funding shall be used by the ((board)) office as a recruitment incentive for recruitment activities in state-operated institutions, county public health departments and districts, county human service agencies, federal and state contracted community health clinics, and other health care facilities, such as rural hospitals that have been identified by the department, as providing substantial amounts of charity care or publicly subsidized health care; one portion of the funding shall be used by the ((board)) office for all other awards. The ((board)) office shall determine the amount of total funding to be distributed between the three portions.

Sec. 210. RCW 28B.115.110 and 2011 c 26 s 2 are each amended to read as follows:

Participants in the health professional loan repayment and scholarship program who are awarded loan repayments shall receive payment from the program for the purpose of repaying educational loans secured while attending a program of health professional training which led to a credential as a credentialed health professional in the state of Washington.

(1) Participants shall agree to meet the required service obligation in a designated health professional shortage area.

(2) Repayment shall be limited to eligible educational and living expenses as determined by the ~~((board))~~ office and shall include principal and interest.

(3) Loans from both government and private sources may be repaid by the program. Participants shall agree to allow the ~~((board))~~ office access to loan records and to acquire information from lenders necessary to verify eligibility and to determine payments. Loans may not be renegotiated with lenders to accelerate repayment.

(4) Repayment of loans established pursuant to this program shall begin no later than ninety days after the individual has become a participant. Payments shall be made quarterly, or more frequently if deemed appropriate by the ~~((board))~~ office, to the participant until the loan is repaid or the participant becomes ineligible due to discontinued service in a health professional shortage area or after the required service obligation when eligibility discontinues, whichever comes first.

(5) Should the participant discontinue service in a health professional shortage area, payments against the loans of the participants shall cease to be effective on the date that the participant discontinues service.

(6) Except for circumstances beyond their control, participants who serve less than the required service obligation shall be obligated to repay to the program an amount equal to twice the total amount paid by the program on their behalf. This amount is due and payable immediately. Participants who are unable to pay the full amount due shall enter into a payment arrangement with the ~~((board))~~ office, including an arrangement for payment of interest. The maximum period for repayment is ten years. The ~~((board))~~ office shall determine the applicability of this subsection. The interest rate shall be determined by the ~~((board))~~ office and be established by rule.

(7) The ~~((board))~~ office is responsible for the collection of payments made on behalf of participants from the participants who discontinue service before completion of the required service obligation. The ~~((board))~~ office shall exercise due diligence in such collection, maintaining all necessary records to ensure that the maximum amount of payment made on behalf of the participant is recovered. Collection under this section shall be pursued using the full extent of the law, including wage garnishment if necessary.

(8) The ~~((board))~~ office shall not be held responsible for any outstanding payments on principal and interest to any lenders once a participant's eligibility expires.

(9) The ~~((board))~~ office shall temporarily or, in special circumstances, permanently defer the requirements of this section for eligible students as defined in RCW 28B.10.017.

(10) The ~~((board))~~ office shall establish an appeal process by rule.

Sec. 211. RCW 28B.115.120 and 2011 c 26 s 3 are each amended to read as follows:

(1) Participants in the health professional loan repayment and scholarship program who are awarded scholarships incur an obligation to repay the scholarship, with penalty and interest, unless they serve the required service obligation in a health professional shortage area in the state of Washington.

(2) The interest rate shall be determined by the ((board)) office and established by rule.

(3) The period for repayment shall coincide with the required service obligation, with payments of principal and interest commencing no later than six months from the date the participant completes or discontinues the course of study or completes or discontinues the required postgraduate training. Provisions for deferral of payment shall be determined by the ((board)) office.

(4) The entire principal and interest of each payment shall be forgiven for each payment period in which the participant serves in a health professional shortage area until the entire repayment obligation is satisfied or the borrower ceases to so serve. Should the participant cease to serve in a health professional shortage area of this state before the participant's repayment obligation is completed, payment of the unsatisfied portion of the principal and interest is due and payable immediately.

(5) In addition to the amount determined in subsection (4) of this section, except for circumstances beyond their control, participants who serve less than the required service obligation shall be obliged to pay a penalty of an amount equal to twice the unsatisfied portion of the principal.

(6) Participants who are unable to pay the full amount due shall enter into a payment arrangement with the ((board)) office for repayment including interest. The maximum period for repayment is ten years.

(7) The ((board)) office is responsible for collection of repayments made under this section and shall exercise due diligence in such collection, maintaining all necessary records to ensure that maximum repayments are made. Collection and servicing of repayments under this section shall be pursued using the full extent of the law, including wage garnishment if necessary, and shall be performed by entities approved for such servicing by the Washington student loan guaranty association or its successor agency. The ((board)) office is responsible to forgive all or parts of such repayments under the criteria established in this section and shall maintain all necessary records of forgiven payments.

(8) Receipts from the payment of principal or interest or any other subsidies to which the ((board)) office as administrator is entitled, which are paid by or on behalf of participants under this section, shall be deposited with the ((board)) office and shall be used to cover the costs of granting the scholarships, maintaining necessary records, and making collections under subsection (7) of this section. The ((board)) office shall maintain accurate records of these costs, and all receipts beyond those necessary to pay such costs shall be used to grant scholarships to eligible students.

(9) Sponsoring communities who financially contribute to the eligible financial expenses of eligible medical students may enter into agreements with the student to require repayment should the student not serve the required service obligation in the community as a primary care physician. The ((board)) office may develop criteria for the content of such agreements with respect to reasonable provisions and obligations between communities and eligible students.

(10) The ((board)) office may make exceptions to the conditions for participation and repayment obligations should circumstances beyond the

control of individual participants warrant such exceptions. The ~~((board))~~ office shall establish an appeal process by rule.

Sec. 212. RCW 28B.115.130 and 1991 c 332 s 28 are each amended to read as follows:

(1) Any funds appropriated by the legislature for the health professional loan repayment and scholarship program or any other public or private funds intended for loan repayments or scholarships under this program shall be placed in the account created by this section.

(2) The health professional loan repayment and scholarship program fund is created in custody of the state treasurer. All receipts from the program shall be deposited into the fund. Only the ~~((higher education coordinating board))~~ office, or its designee, may authorize expenditures from the fund. The fund is subject to allotment procedures under chapter 43.88 RCW, but no appropriation is required for expenditures.

Sec. 213. RCW 28B.115.140 and 1989 1st ex.s. c 9 s 722 are each amended to read as follows:

After consulting with the ~~((higher education coordinating board))~~ office, the governor may transfer the administration of this program to another agency with an appropriate mission.

Sec. 214. RCW 28B.116.010 and 2005 c 215 s 2 are each amended to read as follows:

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

(1) "Institution of higher education" means a college or university in the state of Washington that is accredited by an accrediting association recognized as such by rule of the higher education coordinating board.

(2) "Eligible student" means a student who:

(a) Is between the ages of sixteen and twenty-three;

(b) Has been in foster care in the state of Washington for a minimum of six months since his or her fourteenth birthday;

(c) Is a financially needy student, as defined in RCW 28B.92.030;

(d) Is a resident student, as defined in RCW 28B.15.012(2);

(e) Has entered or will enter an institution of higher education in Washington state within three years of high school graduation or having successfully completed his or her GED;

(f) Is not pursuing a degree in theology; and

(g) Makes satisfactory progress towards the completion of a degree or certificate program.

(3) "Cost of attendance" means the cost associated with the attendance of the institution of higher education as determined by the ~~((higher education coordinating board))~~ office of student financial assistance, including but not limited to tuition, room, board, and books.

(4) "Office" means the office of student financial assistance.

Sec. 215. RCW 28B.116.020 and 2009 c 560 s 20 are each amended to read as follows:

(1) The foster care endowed scholarship program is created. The purpose of the program is to help students who were in foster care attend an institution of higher education in the state of Washington. The foster care endowed

scholarship program shall be administered by the ~~((higher education coordinating board))~~ office.

(2) In administering the program, the ~~((higher education coordinating board's))~~ office's powers and duties shall include but not be limited to:

(a) Adopting necessary rules and guidelines; and

(b) Administering the foster care endowed scholarship trust fund and the foster care scholarship endowment fund.

(3) In administering the program, the ~~((higher education coordinating board's))~~ office's powers and duties may include but not be limited to:

(a) Working with the department of social and health services and the superintendent of public instruction to provide information about the foster care endowed scholarship program to children in foster care in the state of Washington and to students over the age of sixteen who could be eligible for this program;

(b) Publicizing the program; and

(c) Contracting with a private agency to perform outreach to the potentially eligible students.

Sec. 216. RCW 28B.116.030 and 2005 c 215 s 4 are each amended to read as follows:

(1) The ~~((higher education coordinating board))~~ office may award scholarships to eligible students from the foster care scholarship endowment fund in RCW 28B.116.060, from funds appropriated to the board for this purpose, from any private donations, or from any other funds given to the ~~((board))~~ office for the program.

(2) The ~~((board))~~ office may award scholarships to eligible students from moneys earned from the foster care scholarship endowment fund created in RCW 28B.116.060, or from funds appropriated to the board for this purpose, or from any private donations, or from any other funds given to the ~~((board))~~ office for this program. For an undergraduate student, the amount of the scholarship shall not exceed the student's demonstrated financial need. For a graduate student, the amount of the scholarship shall not exceed the student's demonstrated need; or the stipend of a teaching assistant, including tuition, at the University of Washington; whichever is higher. In calculating a student's need, the ~~((board))~~ office shall consider the student's costs for tuition, fees, books, supplies, transportation, room, board, personal expenses, and child care. The student's scholarship awarded under this chapter shall not exceed the amount received by a student attending a state research university. A student is eligible to receive a scholarship for a maximum of five years. However, the length of the scholarship shall be determined at the discretion of the ~~((board))~~ office.

(3) Grants under this chapter shall not affect eligibility for the state student financial aid program.

Sec. 217. RCW 28B.116.050 and 2005 c 215 s 6 are each amended to read as follows:

(1) The foster care endowed scholarship trust fund is created in the custody of the state treasurer.

(2) Funds appropriated by the legislature for the foster care endowed scholarship trust fund shall be deposited in the foster care endowed scholarship trust fund. When conditions in RCW 28B.116.070 are met, the ~~((higher~~

~~education coordinating board~~) office shall deposit state matching moneys from the trust fund into the foster care scholarship endowment fund.

(3) No appropriation is required for expenditures from the trust fund.

Sec. 218. RCW 28B.116.060 and 2007 c 73 s 3 are each amended to read as follows:

The foster care scholarship endowment fund is created in the custody of the state treasurer. The investment of the endowment fund shall be managed by the state investment board.

(1) Moneys received from the ~~((higher education coordinating board))~~ office, private donations, state matching moneys, and funds received from any other source may be deposited into the foster care scholarship endowment fund. Private moneys received as a gift subject to conditions may be deposited into the endowment fund if the conditions do not violate state or federal law.

(2) At the request of the ~~((higher education coordinating board))~~ office, the state investment board shall release earnings from the endowment fund to the state treasurer. The state treasurer shall then release those funds at the request of the ~~((higher education coordinating board))~~ office for scholarships. No appropriation is required for expenditures from the endowment fund.

(3) The ~~((higher education coordinating board))~~ office may disburse grants to eligible students from the foster care scholarship endowment fund. No appropriation is required for expenditures from the endowment fund.

(4) When notified by court order that a condition attached to a gift of private moneys from the foster care scholarship endowment fund has failed, the ~~((higher education coordinating board))~~ office shall release those moneys to the donors according to the terms of the conditional gift.

(5) The principal of the foster care scholarship endowment fund shall not be invaded. For the purposes of this section, only the first twenty-five thousand dollars deposited into the foster care scholarship endowment fund shall be considered the principal. The release of moneys under subsection (4) of this section shall not constitute an invasion of the corpus.

(6) The foster care scholarship endowment fund shall be used solely for the purposes in this chapter, except when the conditional gift of private moneys in the endowment fund require a portion of the earnings on such moneys be reinvested in the endowment fund.

Sec. 219. RCW 28B.116.070 and 2005 c 215 s 8 are each amended to read as follows:

(1) The ~~((higher education coordinating board))~~ office may deposit twenty-five thousand dollars of state matching funds into the foster care scholarship endowment fund when the ~~((board))~~ office can match state funds with an equal amount of private cash donations.

(2) After the initial match of twenty-five thousand dollars, state matching funds from the foster care endowed scholarship trust fund shall be released to the foster care scholarship endowment fund semiannually so long as there are funds available in the foster care endowed scholarship trust fund.

Sec. 220. RCW 28B.117.020 and 2007 c 314 s 2 are each amended to read as follows:

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

(1) "Cost of attendance" means the cost associated with attending a particular institution of higher education as determined by the ~~((higher education coordinating board))~~ office, including but not limited to tuition, fees, room, board, books, personal expenses, and transportation, plus the cost of reasonable additional expenses incurred by an eligible student and approved by a financial aid administrator at the student's school of attendance.

(2) "Emancipated from foster care" means a person who was a dependent of the state in accordance with chapter 13.34 RCW and who was receiving foster care in the state of Washington when he or she reached his or her eighteenth birthday.

(3) "Financial need" means the difference between a student's cost of attendance and the student's total family contribution as determined by the method prescribed by the United States department of education.

(4) "Independent college or university" means a private, nonprofit institution of higher education, open to residents of the state, providing programs of education beyond the high school level leading to at least the baccalaureate degree, and accredited by the Northwest association of schools and colleges, and other institutions as may be developed that are approved by the ~~((higher education coordinating board))~~ board as meeting equivalent standards as those institutions accredited under this section.

(5) "Institution of higher education" means:

(a) Any public university, college, community college, or technical college operated by the state of Washington or any political subdivision thereof; or

(b) Any independent college or university in Washington; or

(c) Any other university, college, school, or institute in the state of Washington offering instruction beyond the high school level that is a member institution of an accrediting association recognized by rule of the higher education coordinating board for the purposes of this section: PROVIDED, That any institution, branch, extension, or facility operating within the state of Washington that is affiliated with an institution operating in another state must be a separately accredited member institution of any such accrediting association, or a branch of a member institution of an accrediting association recognized by rule of the board for purposes of this section, that is eligible for federal student financial aid assistance and has operated as a nonprofit college or university delivering on-site classroom instruction for a minimum of twenty consecutive years within the state of Washington, and has an annual enrollment of at least seven hundred full-time equivalent students.

(6) "Office" means the office of student financial assistance.

(7) "Program" means the passport to college promise pilot program created in this chapter.

Sec. 221. RCW 28B.117.030 and 2007 c 314 s 4 are each amended to read as follows:

(1) The ~~((higher education coordinating board))~~ office shall design and, to the extent funds are appropriated for this purpose, implement, a program of supplemental scholarship and student assistance for students who have emancipated from the state foster care system after having spent at least one year in care.

(2) The ~~((board))~~ office shall convene and consult with an advisory committee to assist with program design and implementation. The committee

shall include but not be limited to former foster care youth and their advocates; representatives from the state board for community and technical colleges, and from public and private agencies that assist current and former foster care recipients in their transition to adulthood; and student support specialists from public and private colleges and universities.

(3) To the extent that sufficient funds have been appropriated for this purpose, a student is eligible for assistance under this section if he or she:

(a) Emancipated from foster care on or after January 1, 2007, after having spent at least one year in foster care subsequent to his or her sixteenth birthday;

(b) Is a resident student, as defined in RCW 28B.15.012(2);

(c) Is enrolled with or will enroll on at least a half-time basis with an institution of higher education in Washington state by the age of twenty-one;

(d) Is making satisfactory academic progress toward the completion of a degree or certificate program, if receiving supplemental scholarship assistance;

(e) Has not earned a bachelor's or professional degree; and

(f) Is not pursuing a degree in theology.

(4) A passport to college scholarship under this section:

(a) Shall not exceed resident undergraduate tuition and fees at the highest-priced public institution of higher education in the state; and

(b) Shall not exceed the student's financial need, less a reasonable self-help amount defined by the board, when combined with all other public and private grant, scholarship, and waiver assistance the student receives.

(5) An eligible student may receive a passport to college scholarship under this section for a maximum of five years after the student first enrolls with an institution of higher education or until the student turns age twenty-six, whichever occurs first. If a student turns age twenty-six during an academic year, and would otherwise be eligible for a scholarship under this section, the student shall continue to be eligible for a scholarship for the remainder of the academic year.

(6) The (~~higher education coordinating board~~) office, in consultation with and with assistance from the state board for community and technical colleges, shall perform an annual analysis to verify that those institutions of higher education at which students have received a scholarship under this section have awarded the student all available need-based and merit-based grant and scholarship aid for which the student qualifies.

(7) In designing and implementing the passport to college student support program under this section, the (~~board~~) office, in consultation with and with assistance from the state board for community and technical colleges, shall ensure that a participating college or university:

(a) Has a viable plan for identifying students eligible for assistance under this section, for tracking and enhancing their academic progress, for addressing their unique needs for assistance during school vacations and academic interims, and for linking them to appropriate sources of assistance in their transition to adulthood;

(b) Receives financial and other incentives for achieving measurable progress in the recruitment, retention, and graduation of eligible students.

Sec. 222. RCW 28B.117.040 and 2007 c 314 s 5 are each amended to read as follows:

Effective operation of the passport to college promise pilot program requires early and accurate identification of former foster care youth so that they can be linked to the financial and other assistance that will help them succeed in college. To that end:

(1) All institutions of higher education that receive funding for student support services under RCW 28B.117.030 shall include on their applications for admission or on their registration materials a question asking whether the applicant has been in foster care in Washington state for at least one year since his or her sixteenth birthday. All other institutions of higher education are strongly encouraged to include such a question. No institution may consider whether an applicant may be eligible for a scholarship or student support services under this chapter when deciding whether the applicant will be granted admission.

(2) The department of social and health services shall devise and implement procedures for efficiently, promptly, and accurately identifying students and applicants who are eligible for services under RCW 28B.117.030, and for sharing that information with the ~~((higher education coordinating board))~~ office and with institutions of higher education. The procedures shall include appropriate safeguards for consent by the applicant or student before disclosure.

Sec. 223. RCW 28B.117.050 and 2007 c 314 s 6 are each amended to read as follows:

(1) To the extent funds are appropriated for this purpose, the ~~((higher education coordinating board))~~ office, with input from the state board for community and technical colleges, the foster care partnership, and institutions of higher education, shall develop and maintain an internet web site and outreach program to serve as a comprehensive portal for foster care youth in Washington state to obtain information regarding higher education including, but not necessarily limited to:

(a) Academic, social, family, financial, and logistical information important to successful postsecondary educational success;

(b) How and when to obtain and complete college applications;

(c) What college placement tests, if any, are generally required for admission to college and when and how to register for such tests;

(d) How and when to obtain and complete a federal free application for federal student aid (FAFSA); and

(e) Detailed sources of financial aid likely available to eligible former foster care youth, including the financial aid provided by this chapter.

(2) The ~~((board))~~ office shall determine whether to design, build, and operate such program and web site directly or to use, support, and modify existing web sites created by government or nongovernmental entities for a similar purpose.

Sec. 224. RCW 28B.117.060 and 2007 c 314 s 7 are each amended to read as follows:

(1) To the extent funds are appropriated for this purpose, the department of social and health services, with input from the state board for community and technical colleges, the ~~((higher education coordinating board))~~ office, and institutions of higher education, shall contract with at least one nongovernmental entity through a request for proposals process to develop, implement, and

administer a program of supplemental educational transition planning for youth in foster care in Washington state.

(2) The nongovernmental entity or entities chosen by the department shall have demonstrated success in working with foster care youth and assisting foster care youth in successfully making the transition from foster care to independent adulthood.

(3) The selected nongovernmental entity or entities shall provide supplemental educational transition planning to foster care youth in Washington state beginning at age fourteen and then at least every six months thereafter. The supplemental transition planning shall include:

(a) Comprehensive information regarding postsecondary educational opportunities including, but not limited to, sources of financial aid, institutional characteristics and record of support for former foster care youth, transportation, housing, and other logistical considerations;

(b) How and when to apply to postsecondary educational programs;

(c) What precollege tests, if any, the particular foster care youth should take based on his or her postsecondary plans and when to take the tests;

(d) What courses to take to prepare the particular foster care youth to succeed at his or her postsecondary plans;

(e) Social, community, educational, logistical, and other issues that frequently impact college students and their success rates; and

(f) Which web sites, nongovernmental entities, public agencies, and other foster care youth support providers specialize in which services.

(4) The selected nongovernmental entity or entities shall work directly with the school counselors at the foster care youths' high schools to ensure that a consistent and complete transition plan has been prepared for each foster care youth who emancipates out of the foster care system in Washington state.

Sec. 225. RCW 28B.117.070 and 2007 c 314 s 8 are each amended to read as follows:

(1) The (~~higher education coordinating board~~) office of student financial assistance shall report to appropriate committees of the legislature by January 15, 2008, on the status of program design and implementation. The report shall include a discussion of proposed scholarship and student support service approaches; an estimate of the number of students who will receive such services; baseline information on the extent to which former foster care youth who meet the eligibility criteria in RCW 28B.117.030 have enrolled and persisted in postsecondary education; and recommendations for any statutory changes needed to promote achievement of program objectives.

(2) The state board for community and technical colleges and the (~~higher education coordinating board~~) office of student financial assistance shall monitor and analyze the extent to which eligible young people are increasing their participation, persistence, and progress in postsecondary education, and shall jointly submit a report on their findings to appropriate committees of the legislature by December 1, 2009, and by December 1, 2011.

(3) The Washington state institute for public policy shall complete an evaluation of the passport to college promise pilot program and shall submit a report to appropriate committees of the legislature by December 1, 2012. The report shall estimate the impact of the program on eligible students' participation

and success in postsecondary education, and shall include recommendations for program revision and improvement.

Sec. 226. RCW 28B.118.010 and 2008 c 321 s 9 are each amended to read as follows:

The (~~higher education coordinating board~~) office of student financial assistance shall design the Washington college bound scholarship program in accordance with this section.

(1) "Eligible students" are those students who qualify for free or reduced-price lunches. If a student qualifies in the seventh grade, the student remains eligible even if the student does not receive free or reduced-price lunches thereafter.

(2) Eligible students shall be notified of their eligibility for the Washington college bound scholarship program beginning in their seventh grade year. Students shall also be notified of the requirements for award of the scholarship.

(3) To be eligible for a Washington college bound scholarship, a student must sign a pledge during seventh or eighth grade that includes a commitment to graduate from high school with at least a C average and with no felony convictions. Students who were in the eighth grade during the 2007-08 school year may sign the pledge during the 2008-09 school year. The pledge must be witnessed by a parent or guardian and forwarded to the (~~higher education coordinating board~~) office of student financial assistance by mail or electronically, as indicated on the pledge form.

(4)(a) Scholarships shall be awarded to eligible students graduating from public high schools, approved private high schools under chapter 28A.195 RCW, or who received home-based instruction under chapter 28A.200 RCW.

(b) To receive the Washington college bound scholarship, a student must graduate with at least a "C" average from a public high school or an approved private high school under chapter 28A.195 RCW in Washington or have received home-based instruction under chapter 28A.200 RCW, must have no felony convictions, and must be a resident student as defined in RCW 28B.15.012(2) (a) through (d).

(5) A student's family income will be assessed upon graduation before awarding the scholarship.

(6) If at graduation from high school the student's family income does not exceed sixty-five percent of the state median family income, scholarship award amounts shall be as provided in this section.

(a) For students attending two or four-year institutions of higher education as defined in RCW 28B.10.016, the value of the award shall be (i) the difference between the student's tuition and required fees, less the value of any state-funded grant, scholarship, or waiver assistance the student receives; (ii) plus five hundred dollars for books and materials.

(b) For students attending private four-year institutions of higher education in Washington, the award amount shall be the representative average of awards granted to students in public research universities in Washington.

(c) For students attending private vocational schools in Washington, the award amount shall be the representative average of awards granted to students in public community and technical colleges in Washington.

(7) Recipients may receive no more than four full-time years' worth of scholarship awards.

(8) Institutions of higher education shall award the student all need-based and merit-based financial aid for which the student would otherwise qualify. The Washington college bound scholarship is intended to replace unmet need, loans, and, at the student's option, work-study award before any other grants or scholarships are reduced.

(9) The first scholarships shall be awarded to students graduating in 2012.

(10) The state of Washington retains legal ownership of tuition units awarded as scholarships under this chapter until the tuition units are redeemed. These tuition units shall remain separately held from any tuition units owned under chapter 28B.95 RCW by a Washington college bound scholarship recipient.

(11) The scholarship award must be used within five years of receipt. Any unused scholarship tuition units revert to the Washington college bound scholarship account.

(12) Should the recipient terminate his or her enrollment for any reason during the academic year, the unused portion of the scholarship tuition units shall revert to the Washington college bound scholarship account.

Sec. 227. RCW 28B.118.020 and 2007 c 405 s 3 are each amended to read as follows:

The office of the superintendent of public instruction shall:

(1) Notify elementary, middle, and junior high schools about the Washington college bound scholarship program using methods in place for communicating with schools and school districts; and

(2) Work with the (~~higher education coordinating board~~) office of student financial assistance to develop application collection and student tracking procedures.

Sec. 228. RCW 28B.118.040 and 2007 c 405 s 5 are each amended to read as follows:

The (~~higher education coordinating board~~) office of student financial assistance shall:

(1) With the assistance of the office of the superintendent of public instruction, implement and administer the Washington college bound scholarship program;

(2) Develop and distribute, to all schools with students enrolled in grade seven or eight, a pledge form that can be completed and returned electronically or by mail by the student or the school to the (~~higher education coordinating board~~) office of student financial assistance;

(3) Develop and implement a student application, selection, and notification process for scholarships;

(4) Track scholarship recipients to ensure continued eligibility and determine student compliance for awarding of scholarships;

(5) Subject to appropriation, deposit funds into the state educational trust fund;

(6) Purchase tuition units under the advanced college tuition payment program in chapter 28B.95 RCW to be owned and held in trust by the board, for the purpose of scholarship awards as provided for in this section; and

(7) Distribute scholarship funds, in the form of tuition units purchased under the advanced college tuition payment program in chapter 28B.95 RCW or

through direct payments from the state educational trust fund, to institutions of higher education on behalf of scholarship recipients identified by the ~~((board))~~ office, as long as recipients maintain satisfactory academic progress.

Sec. 229. RCW 28B.118.050 and 2007 c 405 s 6 are each amended to read as follows:

The ~~((higher education coordinating board))~~ office of student financial assistance may accept grants, gifts, bequests, and devise of real and personal property from any source for the purpose of granting financial aid in addition to that funded by the state.

Sec. 230. RCW 28B.118.060 and 2007 c 405 s 7 are each amended to read as follows:

The ~~((higher education coordinating board))~~ office of student financial assistance may adopt rules to implement this chapter.

Sec. 231. RCW 28B.119.010 and 2004 c 275 s 60 are each amended to read as follows:

The ~~((higher education coordinating board))~~ office of student financial assistance shall design the Washington promise scholarship program based on the following parameters:

(1) Scholarships shall be awarded to students graduating from public and approved private high schools under chapter 28A.195 RCW, students participating in home-based instruction as provided in chapter 28A.200 RCW, and persons twenty-one years of age or younger receiving a GED certificate, who meet both an academic and a financial eligibility criteria.

(a) Academic eligibility criteria shall be defined as follows:

(i) Beginning with the graduating class of 2002, students graduating from public and approved private high schools under chapter 28A.195 RCW must be in the top fifteen percent of their graduating class, as identified by each respective high school at the completion of the first term of the student's senior year; or

(ii) Students graduating from public high schools, approved private high schools under chapter 28A.195 RCW, students participating in home-based instruction as provided in chapter 28A.200 RCW, and persons twenty-one years of age or younger receiving a GED certificate, must equal or exceed a cumulative scholastic assessment test I score of twelve hundred on their first attempt or must equal or exceed a composite American college test score of twenty-seven on their first attempt.

(b) To meet the financial eligibility criteria, a student's family income shall not exceed one hundred thirty-five percent of the state median family income adjusted for family size, as determined by the ~~((higher education coordinating board))~~ office of student financial assistance for each graduating class. Students not meeting the eligibility requirements for the first year of scholarship benefits may reapply for the second year of benefits, but must still meet the income standard set by the ~~((board))~~ office for the student's graduating class.

(2) Promise scholarships are not intended to supplant any grant, scholarship, or tax program related to postsecondary education. If the ~~((board))~~ office of student financial assistance finds that promise scholarships supplant or reduce any grant, scholarship, or tax program for categories of students, then the

~~((board))~~ office shall adjust the financial eligibility criteria or the amount of scholarship to the level necessary to avoid supplanting.

(3) Within available funds, each qualifying student shall receive two consecutive annual awards, the value of each not to exceed the full-time annual resident tuition rates charged by Washington's community colleges. The ~~((higher education coordinating board))~~ office of student financial assistance shall award scholarships to as many students as possible from among those qualifying under this section.

(4) By October 15th of each year, the ~~((board))~~ office of student financial assistance shall determine the award amount of the scholarships, after taking into consideration the availability of funds.

(5) The scholarships may only be used for undergraduate coursework at accredited institutions of higher education in the state of Washington.

(6) The scholarships may be used for undergraduate coursework at Oregon institutions of higher education that are part of the border county higher education opportunity project in RCW 28B.76.685 when those institutions offer programs not available at accredited institutions of higher education in Washington state.

(7) The scholarships may be used for college-related expenses, including but not limited to, tuition, room and board, books, and materials.

(8) The scholarships may not be awarded to any student who is pursuing a degree in theology.

(9) The ~~((higher education coordinating board))~~ office of student financial assistance may establish satisfactory progress standards for the continued receipt of the promise scholarship.

(10) The ~~((higher education coordinating board))~~ office of student financial assistance shall establish the time frame within which the student must use the scholarship.

Sec. 232. RCW 28B.119.020 and 2002 c 204 s 3 are each amended to read as follows:

The ~~((higher education coordinating board))~~ office of student financial assistance, with the assistance of the office of the superintendent of public instruction, shall implement and administer the Washington promise scholarship program described in RCW 28B.119.010 as follows:

(1) The first scholarships shall be awarded to eligible students enrolling in postsecondary education in the 2002-03 academic year.

(2) The office of the superintendent of public instruction shall provide information to the ~~((higher education coordinating board))~~ office of student financial assistance that is necessary for implementation of the program. The ~~((higher education coordinating board))~~ office of student financial assistance and the office of the superintendent of public instruction shall jointly establish a timeline and procedures necessary for accurate and timely data reporting.

(a) For students meeting the academic eligibility criteria as provided in RCW 28B.119.010(1)(a), the office of the superintendent of public instruction shall provide the ~~((higher education coordinating board))~~ office of student financial assistance with student names, addresses, birth dates, and unique numeric identifiers.

(b) Public and approved private high schools under chapter 28A.195 RCW shall provide requested information necessary for implementation of the

program to the office of the superintendent of public instruction within the established timeline.

(c) All student data is confidential and may be used solely for the purposes of providing scholarships to eligible students.

(3) The (~~higher education coordinating board~~) office of student financial assistance may adopt rules to implement this chapter.

Sec. 233. RCW 28B.119.030 and 2004 c 275 s 71 are each amended to read as follows:

The Washington promise scholarship program shall not be funded at the expense of the state need grant program as defined in chapter 28B.92 RCW. In administering the state need grant and promise scholarship programs, the (~~higher education coordinating board~~) office of student financial assistance shall first ensure that eligibility for state need grant recipients is at least fifty-five percent of state median family income.

Sec. 234. RCW 28B.119.050 and 2002 c 204 s 6 are each amended to read as follows:

(1) The Washington promise scholarship account is created in the custody of the state treasurer. The account shall be a nontreasury account retaining its interest earnings in accordance with RCW 43.79A.040.

(2) The (~~higher education coordinating board~~) office of student financial assistance shall deposit in the account all money received for the program. The account shall be self-sustaining and consist of funds appropriated by the legislature for the Washington promise scholarship program, private contributions to the program, and refunds of Washington promise scholarships.

(3) Expenditures from the account shall be used for scholarships to eligible students.

(4) With the exception of the operating costs associated with the management of the account by the treasurer's office as authorized in chapter 43.79A RCW, the account shall be credited with all investment income earned by the account.

(5) Disbursements from the account are exempt from appropriations and the allotment provisions of chapter 43.88 RCW.

(6) Disbursements from the account shall be made only on the authorization of the (~~higher education coordinating board~~) office of student financial assistance.

Sec. 235. RCW 28B.120.020 and 2010 c 245 s 8 are each amended to read as follows:

The higher education coordinating board shall have the following powers and duties in administering the program for those proposals in which a four-year institution of higher education is named as the lead institution and fiscal agent:

(1) To adopt rules necessary to carry out the program;

(2) To award grants no later than September 1st in those years when funding is available by June 30th;

(3) To establish each biennium specific guidelines for submitting grant proposals consistent with RCW 28B.120.005 and consistent with the strategic master plan for higher education, the system design plan, the overall goals of the program and the guidelines established by the state board for community and technical colleges under RCW 28B.120.025.

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After June 30, 2001, and each biennium thereafter, the board shall determine funding priorities for proposals for the biennium in consultation with ~~((the governor,))~~ the legislature, the office of the superintendent of public instruction, the state board for community and technical colleges, the workforce training and education coordinating board, higher education institutions, educational associations, and business and community groups consistent with statewide needs;

(4) To solicit grant proposals and provide information to the institutions of higher education about the program; and

(5) To establish reporting, evaluation, accountability, monitoring, and dissemination requirements for the recipients of the grants awarded by the ~~((higher education coordinating board))~~ office of financial management.

Sec. 236. RCW 28B.133.030 and 2011 c 60 s 12 are each amended to read as follows:

(1) The students with dependents grant account is created in the custody of the state treasurer. All receipts from the program shall be deposited into the account. Only the ~~((higher education coordinating board))~~ office of student financial assistance, or its designee, may authorize expenditures from the account. Disbursements from the account are exempt from appropriations and the allotment procedures under chapter 43.88 RCW.

(2) The ~~((board))~~ office may solicit and receive gifts, grants, or endowments from private sources that are made from time to time, in trust or otherwise, for the use and benefit of the purposes of the educational assistance grant program. The ~~((executive))~~ director, or the ~~((executive))~~ director's designee, may spend gifts, grants, or endowments or income from the private sources according to their terms unless the receipt of the gifts, grants, or endowments violates RCW 42.17A.560.

(3) The earnings on the account shall be used solely for the purposes in RCW 28B.133.010, except when the terms of a conditional gift of private moneys in the account require that a portion of earnings on such moneys be reinvested in the account.

Sec. 237. RCW 28B.133.040 and 2003 c 19 s 5 are each amended to read as follows:

The ~~((higher education coordinating board))~~ office of student financial assistance shall develop and administer the educational assistance grant program for students with dependents. In administering the program, once the balance in the students with dependents grant account is five hundred thousand dollars, the ~~((board's))~~ office's powers and duties shall include but not be limited to:

(1) Adopting necessary rules and guidelines;

(2) Publicizing the program;

(3) Accepting and depositing donations into the grant account established in RCW 28B.133.030; and

(4) Soliciting and accepting grants and donations from private sources for the program.

Sec. 238. RCW 28B.133.050 and 2004 c 275 s 74 are each amended to read as follows:

The educational assistance grant program for students with dependents grants may be used by eligible participants to attend any public or private

college or university in the state of Washington as defined in RCW 28B.92.030. Each participating student may receive an amount to be determined by the ~~((higher education coordinating board))~~ office of student financial assistance, with a minimum amount of one thousand dollars per academic year, not to exceed the student's documented financial need for the course of study as determined by the institution.

Educational assistance grants for students with dependents are not intended to supplant any grant scholarship or tax program related to postsecondary education. If the ~~((higher education coordinating board))~~ office of student financial assistance finds that the educational assistance grants for students with dependents supplant or reduce any grant, scholarship, or tax program for categories of students, then the ~~((higher education coordinating board))~~ office shall adjust the financial eligibility criteria or the amount of the grant to the level necessary to avoid supplanting.

Sec. 239. RCW 28B.135.010 and 2010 1st sp.s. c 9 s 5 are each amended to read as follows:

The four-year student child care in higher education account is established. The ~~((higher education coordinating board))~~ office of student financial assistance shall administer the program for the four-year institutions of higher education. Through ~~((these))~~ this program~~((s))~~ the ~~((board))~~ office shall award either competitive or matching child care grants to state institutions of higher education to encourage programs to address the need for high quality, accessible, and affordable child care for students at higher education institutions. The grants shall be used exclusively for the provision of quality child care services for students at institutions of higher education. The university or college administration and student government association, or its equivalent, of each institution receiving the award may contribute financial support in an amount equal to or greater than the child care grant received by the institution.

Sec. 240. RCW 28B.135.030 and 2008 c 162 s 3 are each amended to read as follows:

The ~~((higher education coordinating board))~~ office of student financial assistance shall have the following powers and duties in administering the program for the four-year institutions of higher education:

- (1) To adopt rules necessary to carry out the program;
- (2) To establish one or more review committees to assist in the evaluation of proposals for funding. The review committees may receive input from parents, educators, and other experts in the field of early childhood education for this purpose;
- (3) To establish each biennium specific guidelines for submitting grant proposals consistent with the overall goals of the program. The guidelines shall be consistent with the following desired outcomes of increasing access to quality child care for students, providing affordable child care alternatives for students, creating a partnership between university or college administrations, university or college foundations, and student government associations, or their equivalents;
- (4) To proportionally distribute the amount of money available in the trust fund based on the financial support for child care received by the student government associations or their equivalents. Student government associations

may solicit funds from private organizations and targeted fund-raising campaigns as part of their financial support for child care;

(5) To solicit grant proposals and provide information to the institutions of higher education about the program;

(6) To establish reporting, evaluation, accountability, monitoring, and dissemination requirements for the recipients of the grants; and

~~((7) To report to the appropriate committees of the legislature by December 15, 2008, and every two years thereafter, on the status of program design and implementation at the four-year institutions of higher education. The report shall include but not be limited to summary information on the institutions receiving child care grant allocations, the amount contributed by each university or college administration and student government association for the purposes of child care including expenditures and reports for the previous biennium, services provided by each institutional child care center, the number of students using such services, and identifiable unmet need.))~~

Sec. 241. RCW 28B.135.040 and 2010 1st sp.s. c 9 s 4 are each amended to read as follows:

The four-year student child care in higher education account is established in the custody of the state treasurer. Moneys in the account may be spent only for the purposes of RCW 28B.135.010. Disbursements from the account shall be on the authorization of the ~~((higher education coordinating board))~~ office of student financial assistance. The account is subject to the allotment procedures under chapter 43.88 RCW, but no appropriation is required for disbursements.

Sec. 242. RCW 28C.18.166 and 2009 c 238 s 5 are each amended to read as follows:

On an annual basis, each opportunity internship consortium shall provide the board with a list of the opportunity internship graduates from the consortium. The board shall compile the lists from all consortia and shall notify the ~~((higher education coordinating board))~~ office of student financial assistance of the eligibility of each graduate on the lists to receive a state need grant under chapter 28B.92 RCW if the graduate enrolls in a postsecondary program of study within one year of high school graduation.

Sec. 243. RCW 39.86.130 and 2010 1st sp.s. c 6 s 7 are each amended to read as follows:

(1) In granting an allocation, reallocation, or carryforward of the state ceiling as provided in this chapter, the agency shall consider existing state priorities and other such criteria, including but not limited to, the following criteria:

(a) Need of issuers to issue bonds within a bond use category subject to a state ceiling;

(b) Amount of the state ceiling available;

(c) Public benefit and purpose to be satisfied, including economic development, educational opportunity, and public health, safety, or welfare;

(d) Cost or availability of alternative methods of financing for the project or program; and

(e) Certainty of using the allocation which is being requested.

(2) In determining whether to allocate an amount of the state ceiling to an issuer within any bond use category, the agency shall consider, but is not limited to, the following criteria for each of the bond use categories:

(a) Housing: Criteria which comply with RCW 43.180.200.

(b) Student loans: Criteria which comply with the applicable provisions of Title 28B RCW and rules adopted by the ~~((higher education coordinating board))~~ office of student financial assistance or applicable state agency dealing with student financial aid.

(c) Small issue: Factors which may include:

(i) The number of employment opportunities the project is likely to create or retain in relation to the amount of the bond issuance;

(ii) The level of unemployment existing in the geographic area likely to be affected by the project;

(iii) A commitment to providing employment opportunities to low-income persons in cooperation with the employment security department;

(iv) Geographic distribution of projects;

(v) The number of persons who will benefit from the project;

(vi) Consistency with criteria identified in subsection (1) of this section; and

(vii) Order in which requests were received.

(d) Exempt facility or redevelopment: Factors which may include:

(i) State issuance needs;

(ii) Consistency with criteria identified in subsection (1) of this section;

(iii) Order in which requests were received;

(iv) The proportionate number of persons in relationship to the size of the community who will benefit from the project; and

(v) The unique timing and issuance needs of large scale projects that may require allocations in more than one year.

(e) Public utility: Factors which may include:

(i) Consistency with criteria identified in subsection (1) of this section; and

(ii) Timing needs for issuance of bonds over a multi-year period.

NEW SECTION. Sec. 244. The following acts or parts of acts, as now existing or hereafter amended, are each repealed, effective July 1, 2012:

(1) RCW 28B.76.010 (Board created) and 1985 c 370 s 1;

(2) RCW 28B.76.030 (Purpose) and 2004 c 275 s 1;

(3) RCW 28B.76.040 (Members—Appointment) and 2002 c 348 s 1, 2002 c 129 s 1, & 1985 c 370 s 10;

(4) RCW 28B.76.050 (Members—Terms) and 2007 c 458 s 101, 2004 c 275 s 3, 2002 c 129 s 2, & 1985 c 370 s 11;

(5) RCW 28B.76.060 (Members—Vacancies) and 1985 c 370 s 12;

(6) RCW 28B.76.070 (Bylaws—Meetings) and 1985 c 370 s 13;

(7) RCW 28B.76.080 (Members—Compensation and travel expenses) and 1985 c 370 s 16, 1984 c 287 s 65, 1975-'76 2nd ex.s. c 34 s 77, & 1969 ex.s. c 277 s 12;

(8) RCW 28B.76.200 (Statewide strategic master plan for higher education—Institution-level strategic plans) and 2007 c 458 s 201, 2004 c 275 s 6, & 2003 c 130 s 2;

(9) RCW 28B.76.260 (Statewide system of course equivalency—Work group) and 2004 c 55 s 3;

(10) RCW 28B.76.280 (Data collection and research—Privacy protection) and 2010 1st sp.s. c 7 s 58 & 2004 c 275 s 12;

(11) RCW 28B.76.330 (Coordination, articulation, and transitions among systems of education—Biennial updates to legislature) and 2004 c 275 s 17 & 1994 c 222 s 3; and

(12) RCW 28B.76.530 (Board may develop and administer demonstration projects) and 1989 c 306 s 2.

NEW SECTION. Sec. 245. The following acts or parts of acts are each repealed:

(1) RCW 28B.10.056 (State enrollment and degree priority—Science and technology fields—Report to the legislature) and 2006 c 180 s 2;

(2) RCW 28B.10.5691 (Campus safety—Institutional assessments—Updates—Reports) and 2008 c 168 s 2;

(3) RCW 28B.15.465 (Gender equity—Reports) and 1997 c 5 s 3 & 1989 c 340 s 5;

(4) RCW 28B.15.736 (Washington/Oregon reciprocity tuition and fee program—Program review) and 1985 c 370 s 72, 1983 c 104 s 2, & 1979 c 80 s 4;

(5) RCW 28B.15.754 (Washington/Idaho reciprocity tuition and fee program—Implementation agreement—Program review) and 1987 c 446 s 1, 1985 c 370 s 75, & 1983 c 166 s 3;

(6) RCW 28B.15.758 (Washington/British Columbia reciprocity tuition and fee program—Implementation agreement—Program review) and 1987 c 446 s 3, 1985 c 370 s 77, & 1983 c 166 s 5;

(7) RCW 28B.76.300 (State support received by students—Information) and 2004 c 275 s 14, 1997 c 48 s 1, & 1993 c 250 s 1; and

(8) RCW 28B.76.320 (Board to transmit amounts constituting approved educational costs) and 2004 c 275 s 16, 1995 1st sp.s. c 9 s 6, & 1989 c 245 s 4.

***NEW SECTION. Sec. 246.** *(1) All powers, duties, and functions of the higher education coordinating board pertaining to student financial assistance are transferred to the office of student financial assistance. All references to the executive director or the higher education coordinating board in the Revised Code of Washington shall be construed to mean the director or the office of student financial assistance when referring to the functions transferred in this section.*

(2)(a) All reports, documents, surveys, books, records, files, papers, or written material in the possession of the higher education coordinating board pertaining to the powers, functions, and duties transferred shall be delivered to the custody of the office of student financial assistance. All cabinets, furniture, office equipment, motor vehicles, and other tangible property employed by the higher education coordinating board in carrying out the powers, functions, and duties transferred shall be made available to the office of student financial assistance. All funds, credits, or other assets held in connection with the powers, functions, and duties transferred shall be assigned to the office of student financial assistance.

(b) Any appropriations made to the higher education coordinating board for carrying out the powers, functions, and duties transferred shall, on the

effective date of this section, be transferred and credited to the office of student financial assistance.

(c) Whenever any question arises as to the transfer of any personnel, funds, books, documents, records, papers, files, equipment, or other tangible property used or held in the exercise of the powers and the performance of the duties and functions transferred, the director of financial management shall make a determination as to the proper allocation and certify the same to the state agencies concerned.

(3) All employees of the higher education coordinating board engaged in performing the powers, functions, and duties transferred are transferred to the jurisdiction of the office of student financial assistance. All employees classified under chapter 41.06 RCW, the state civil service law, are assigned to the office of student financial assistance to perform their usual duties upon the same terms as formerly, without any loss of rights, subject to any action that may be appropriate thereafter in accordance with the laws and rules governing state civil service.

(4) All rules and all pending business before the higher education coordinating board pertaining to the powers, functions, and duties transferred shall be continued and acted upon by the office of student financial assistance. All existing contracts and obligations shall remain in full force and shall be performed by the office of student financial assistance.

(5) The transfer of the powers, duties, functions, and personnel of the higher education coordinating board shall not affect the validity of any act performed before the effective date of this section.

(6) If apportionments of budgeted funds are required because of the transfers directed by this section, the director of financial management shall certify the apportionments to the agencies affected, the state auditor, and the state treasurer. Each of these shall make the appropriate transfer and adjustments in funds and appropriation accounts and equipment records in accordance with the certification.

(7) All classified employees of the higher education coordinating board assigned to the office of student financial assistance under this section whose positions are within an existing bargaining unit description at the office of student financial assistance shall become a part of the existing bargaining unit at the office of student financial assistance and shall be considered an appropriate inclusion or modification of the existing bargaining unit under the provisions of chapter 41.80 RCW.

**Sec. 246 was vetoed. See message at end of chapter.*

PART II COUNCIL FOR HIGHER EDUCATION

NEW SECTION. **Sec. 301.** On July 1, 2012, the higher education coordinating board is abolished and the council for higher education is created subject to the recommendations of the higher education steering committee established in section 302, chapter ..., Laws of 2011 1st sp. sess. (section 302 of this act) and implementing legislation enacted by the 2012 legislature.

NEW SECTION. **Sec. 302.** (1) The higher education steering committee is created.

(2) Members of the steering committee include: The governor or the governor's designee, who shall chair the committee; two members from the house of representatives, with one from each of the two major caucuses, appointed by the speaker of the house of representatives; two members from the senate, with one appointed from each of the two major caucuses, appointed by the president of the senate; an equal representation from the key sectors of the higher education system in the state; and at least two members representing the public as appointed by the governor.

(3) The steering committee shall review coordination, planning, and communication for higher education in the state and establish the purpose and functions of the council for higher education. Specifically, the steering committee shall consider options for the following:

(a) Creating an effective and efficient higher education system and coordinating key sectors including through the P-20 system;

(b) Improving the coordination of institutions of higher education and sectors with specific attention to strategic planning, system design, and transfer and articulation;

(c) Improving structures and functions related to administration and regulation of the state's higher education institutions and programs, including but not limited to financial aid, the advanced college tuition payment program, federal grant administration, new degree program approval, authorization to offer degrees in the state, reporting performance data, and minimum admission standards; and

(d) The composition and mission of the council for higher education.

(4) The steering committee shall consider input from higher education stakeholders, including but not limited to the higher education coordinating board, the state board for community and technical colleges, the community and technical colleges system, private, nonprofit baccalaureate degree-granting institutions, the office of the superintendent of public instruction, the workforce training and education coordinating board, the four-year institutions of higher education, students, faculty, business and labor organizations, and members of the public.

(5) Staff support for the steering committee must be provided by the office of financial management.

(6) The steering committee shall report its findings and recommendations, including proposed legislation, to the governor and appropriate committees of the legislature by December 1, 2011.

(7) This section expires July 1, 2012.

PART III MISCELLANEOUS PROVISIONS

NEW SECTION. Sec. 401. Section 301 of this act constitutes a new chapter in Title 28B RCW.

NEW SECTION. Sec. 402. Sections 220 through 225 of this act expire June 30, 2013.

NEW SECTION. Sec. 403. Sections 101 through 103, 106 through 202, 204 through 244, and 301 of this act take effect July 1, 2012.

NEW SECTION. Sec. 404. Section 302 of this act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and takes effect July 1, 2011.

Passed by the Senate May 22, 2011.

Passed by the House May 21, 2011.

Approved by the Governor June 6, 2011, with the exception of certain items that were vetoed.

Filed in Office of Secretary of State June 7, 2011.

Note: Governor's explanation of partial veto is as follows:

"I am returning herewith, without my approval as to Section 246, Engrossed Second Substitute Senate Bill 5182 entitled:

"AN ACT Relating to establishing the office of student financial assistance by eliminating the higher education coordinating board and transferring its functions to various entities."

Section 246 transfers powers, duties and functions of the higher education coordinating board pertaining to student financial assistance to the new office of student financial assistance. Due to a technical bill drafting error, the effective date of the transfer of powers would occur prior to the creation of the new office of student financial assistance on July 1, 2012.

For this reason, I am vetoing Section 246. The new higher education steering committee will make recommendations concerning higher education governance prior to the 2012 legislative session. I expect the committee to consider the transfers of authority set forth in Section 246 and recommend any statutory changes necessary in the 2012 session to successfully achieve the appropriate transfers.

For these reasons, I have vetoed Section 246 of Engrossed Second Substitute Senate Bill 5182.

With the exception of Section 246, Engrossed Second Substitute Senate Bill 5182 is approved."

CHAPTER 12

[Engrossed Substitute Senate Bill 5749]

ADVANCED COLLEGE TUITION PAYMENTS

AN ACT Relating to the Washington advanced college tuition payment program; amending RCW 28B.95.020, 28B.95.030, 28B.95.080, and 28B.95.150; reenacting and amending RCW 44.44.040; adding a new section to chapter 28B.95 RCW; creating a new section; providing an expiration date; and declaring an emergency.

Be it enacted by the Legislature of the State of Washington:

***Sec. 1. RCW 28B.95.020 and 2007 c 405 s 8 are each 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 board 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) "Board" means the higher education coordinating board as defined in chapter 28B.76 RCW.

(4) "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 executive director of the higher education coordinating board, or their designees~~(s)~~; and ~~((two))~~ four members to be appointed by the governor and confirmed by the senate for four-year terms, one representing program participants and ~~((one))~~ three private business representatives with marketing, public relations, or financial expertise. Beginning with appointments made after the effective date of this section, in making the three appointments representing private business, the governor must consider names from a list provided by the president of the senate and the speaker of the house of representatives. Appointment of the two additional members representing private business as provided for in chapter . . . , Laws of 2011 1st sp. sess. (this act) must be made by June 30, 2011, and shall be confirmed by the senate by June 30, 2012.

(5) "Governing body" means the committee empowered by the legislature to administer the Washington advanced college tuition payment program.

(6) "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.

(7) "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.

(8) "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.

(9) "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.

(10) "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.

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

(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. 1 was vetoed. See message at end of chapter.*

Sec. 2. RCW 28B.95.030 and 2005 c 272 s 2 are each 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 executive director of the board. The committee shall be supported by staff of the board.

(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.

(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.

(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.

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

(8) 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;

(l) 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.

Sec. 3. RCW 28B.95.080 and 1997 c 289 s 8 are each amended to read as follows:

The governing body shall annually evaluate, and cause to be evaluated by ~~((a nationally recognized))~~ the state actuary, the soundness of the account and determine the additional assets needed, if any, to defray the obligations of the account. The governing body may, at its discretion, consult with a nationally recognized actuary for periodic assessments of the account.

If funds are ~~((not sufficient))~~ determined by the governing body, based on actuarial analysis to be insufficient to ensure the actuarial soundness of the account, the governing body shall adjust the price of subsequent tuition credit purchases to ensure its soundness.

If there are insufficient numbers of new purchases to ensure the actuarial soundness of the account, the governing body shall request such funds from the legislature as are required to ensure the integrity of the program. Funds may be appropriated directly to the account or appropriated under the condition that they be repaid at a later date. The repayment shall be made at such time that the account is again determined to be actuarially sound.

Sec. 4. RCW 28B.95.150 and 2001 c 184 s 2 are each amended to read as follows:

(1) The committee may establish a college savings program. If such a program is established, the college savings program shall be established, in such form as may be determined by the committee, to be a qualified state tuition program as defined by the internal revenue service under section 529 of the internal revenue code, and shall be administered in a manner consistent with the Washington advanced college tuition payment program. The committee, in planning and devising the program, shall consult with the state investment board, the state treasurer, ~~((a qualified actuarial consulting firm with appropriate expertise to evaluate such plans))~~ the state actuary, the legislative fiscal and higher education committees, and the institutions of higher education. The governing body may, at its discretion, consult with a qualified actuarial consulting firm with appropriate expertise to evaluate such plans for periodic assessments of the program.

(2) Up to two hundred thousand dollars of administrative fees collected from guaranteed education tuition program participants may be applied as a loan to fund the development of a college savings program. This loan must be repaid with interest before the conclusion of the biennium in which the committee draws funds for this purpose from the advanced college tuition payment program account.

(3) If such a college savings program is established, the college savings program account is created in the custody of the state treasurer for the purpose of administering the college savings program. If created, the account shall be a discrete nontreasury account in the custody of the state treasurer. Interest earnings shall be retained in accordance with RCW 43.79A.040. Disbursements from the account, except for program administration, are exempt from appropriations and the allotment provisions of chapter 43.88 RCW. Money used for program administration is subject to the allotment provisions, but without appropriation.

(4) The committee, after consultation with the state investment board, shall determine the investment policies for the college savings program. Program contributions may be invested by the state investment board or the committee may contract with an investment company licensed to conduct business in this

state to do the investing. The committee shall keep or cause to be kept full and adequate accounts and records of the assets of each individual participant in the college savings program.

(5) Neither the state nor any eligible educational institution may be considered or held to be an insurer of the funds or assets of the individual participant accounts in the college savings program created under this section nor may any such entity be held liable for any shortage of funds in the event that balances in the individual participant accounts are insufficient to meet the educational expenses of the institution chosen by the student for which the individual participant account was intended.

(6) The committee shall adopt rules to implement this section. Such rules shall include but not be limited to administration, investment management, promotion, and marketing; compliance with internal revenue service standards; application procedures and fees; start-up costs; phasing in the savings program and withdrawals therefrom; deterrents to early withdrawals and provisions for hardship withdrawals; and reenrollment in the savings program after withdrawal.

(7) The committee may, at its discretion, determine to cease operation of the college savings program if it determines the continuation is not in the best interest of the state. The committee shall adopt rules to implement this section addressing the orderly distribution of assets.

NEW SECTION. Sec. 5. (1) Pursuant to passage of Engrossed Second Substitute House Bill No. 1795 (the higher education opportunity act), and to maintain the actuarial soundness of the account and to lower the risk to the state of incurring additional unfunded liability, the governing body as defined in RCW 28B.95.020 shall, with the assistance of the state actuary, assess the financial solvency of the advanced college tuition payment program and shall determine if any changes should be made to the program for units purchased on or after September 1, 2011, including, but not limited to:

(a) Establishing a unit payout value that increases predictability and affordability to consumers;

(b) Modifying the tuition unit price;

(c) Modifying the contracting of tuition unit purchases to better align the tuition unit price paid throughout the length of the contract with the price established for each enrollment period; and

(d) Modifying the enrollment period.

(2) The governing body shall submit a report of these efforts to the governor and the appropriate fiscal committees of the legislature no later than October 1, 2011.

(3) This section expires December 31, 2011.

NEW SECTION. Sec. 6. A new section is added to chapter 28B.95 RCW to read as follows:

(1)(a) A legislative advisory committee to the committee on advanced tuition payment is established. The advisory committee shall consist of the following members:

(i) Two members from each of the two largest caucuses of the house of representatives appointed by the speaker of the house of representatives. At least one member from each caucus shall be a member of the house of representatives ways and means committee and at least one member from each

caucus shall be a member of the house of representatives higher education committee; and

(ii) Two members from each of the two largest caucuses of the senate appointed by the president of the senate. At least one member from each caucus shall be a member of the senate ways and means committee and at least one member from each caucus shall be a member of the senate higher education and workforce development committee.

(b) All members must be appointed by June 30, 2011, and must serve a term of no less than two years.

(c) Vacancies on the advisory committee shall be filled by appointment by either the president of the senate or the speaker of the house of representatives. All such vacancies shall be filled from the same political party and from the same house as the member whose seat was vacated.

(d) The members of the advisory committee shall serve without additional compensation, but shall be reimbursed in accordance with RCW 44.04.120 while attending meetings of the advisory committee and of the committee on advanced tuition payment.

(e) The advisory committee shall appoint its own chair and vice chair and shall meet at least once annually.

(2) The advisory committee shall provide advice to the committee on advanced tuition payment and the state actuary regarding the administration of the program including, but not limited to, pricing guidelines, the tuition unit price, and the unit payout value.

(3) Staff support for the advisory committee must be jointly provided by the senate committee services and the house of representatives office of program research.

Sec. 7. RCW 44.44.040 and 2003 c 295 s 4 and 2003 c 92 s 2 are each reenacted and amended to read as follows:

The office of the state actuary shall have the following powers and duties:

(1) Perform all actuarial services for the department of retirement systems, including all studies required by law.

(2) Advise the legislature and the governor regarding pension benefit provisions, and funding policies and investment policies of the state investment board.

(3) Consult with the legislature and the governor concerning determination of actuarial assumptions used by the department of retirement systems.

(4) Prepare a report, to be known as the actuarial fiscal note, on each pension bill introduced in the legislature which briefly explains the financial impact of the bill. The actuarial fiscal note shall include: (a) The statutorily required contribution for the biennium and the following twenty-five years; (b) the biennial cost of the increased benefits if these exceed the required contribution; and (c) any change in the present value of the unfunded accrued benefits. An actuarial fiscal note shall also be prepared for all amendments which are offered in committee or on the floor of the house of representatives or the senate to any pension bill. However, a majority of the members present may suspend the requirement for an actuarial fiscal note for amendments offered on the floor of the house of representatives or the senate.

(5) Provide such actuarial services to the legislature as may be requested from time to time.

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(6) Provide staff and assistance to the committee established under RCW 41.04.276.

(7) Provide actuarial assistance to the law enforcement officers' and firefighters' plan 2 retirement board as provided in chapter 2, Laws of 2003. Reimbursement for services shall be made to the state actuary under RCW 39.34.130 and section 5(5), chapter 2, Laws of 2003.

(8) Provide actuarial assistance to the committee on advanced tuition payment pursuant to chapter 28B.95 RCW, including recommending a tuition unit price to the committee on advanced tuition payment to be used in the ensuing enrollment period. Reimbursement for services shall be made to the state actuary under RCW 39.34.130.

NEW SECTION. Sec. 8. Sections 1 and 6 of this act are necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and take effect immediately.

Passed by the Senate May 21, 2011.

Passed by the House May 24, 2011.

Approved by the Governor June 6, 2011, with the exception of certain items that were vetoed.

Filed in Office of Secretary of State June 7, 2011.

Note: Governor's explanation of partial veto is as follows:

"I am returning herewith, without my approval as to Section 1, Engrossed Substitute Senate Bill 5749 entitled:

"AN ACT Relating to the Washington advanced college tuition payment program."

Section 1 would expand the membership of the Committee on Advanced Tuition Payment, limit private sector and citizen representatives on the committee to four year terms and require Senate confirmation of citizen and business representatives. The work of this committee involves oversight of complex financial issues. The bill does not stagger the terms of the committee members, and expands the number of term-limited members to four of the committee's seven members. Unstaggered and limited terms for a majority of the committee members would leave the committee highly vulnerable to the loss of expertise accumulated by citizen and business representatives and inhibit the work of this committee.

For these reasons, I have vetoed Section 1 of Engrossed Substitute Senate Bill 5749.

With the exception of Section 1, Engrossed Substitute Senate Bill 5749 is approved."

CHAPTER 13

[Engrossed Substitute House Bill 2088]

OPPORTUNITY SCHOLARSHIP BOARD

AN ACT Relating to creating the opportunity scholarship board to assist middle-income students and invest in high employer demand programs; adding a new section to chapter 82.32 RCW; adding a new chapter to Title 28B RCW; and declaring an emergency.

Be it enacted by the Legislature of the State of Washington:

NEW SECTION. Sec. 1. The legislature finds that, despite increases in degree production, there remain acute shortages in high employer demand programs of study, particularly in the science, technology, engineering, and mathematics (STEM) and health care fields of study. According to the workforce training and education coordinating board, seventeen percent of

Washington businesses had difficulty finding job applicants in 2010. Eleven thousand employers did not fill a vacancy because they lacked qualified job applicants. Fifty-nine percent of projected job openings in Washington state from now until 2017 will require some form of postsecondary education and training.

It is the intent of the legislature to provide jobs and opportunity by making Washington the place where the world's most productive companies find the world's most talented people. The legislature intends to accomplish this through the creation of the opportunity scholarship and the opportunity expansion programs to help mitigate the impact of tuition increases, increase the number of baccalaureate degrees in high employer demand and other programs, and invest in programs and students to meet market demands for a knowledge-based economy while filling middle-income jobs with a sufficient supply of skilled workers.

NEW SECTION. Sec. 2. The definitions in this section apply throughout this chapter unless the context clearly requires otherwise.

(1) "Board" means the higher education coordinating board or its successor.

(2) "Eligible education programs" means high employer demand and other programs of study as determined by the opportunity scholarship board.

(3) "Eligible expenses" means reasonable expenses associated with the costs of acquiring an education such as tuition, books, equipment, fees, room and board, and other expenses as determined by the program administrator in consultation with the board and the state board for community and technical colleges.

(4) "Eligible student" means a resident student who received their high school diploma or GED in Washington and who:

(a)(i) Has been accepted at a four-year institution of higher education into an eligible education program leading to a baccalaureate degree; or

(ii) Will attend a two-year institution of higher education and intends to transfer to an eligible education program at a four-year institution of higher education;

(b) Declares an intention to obtain a baccalaureate degree; and

(c) Has a family income at or below one hundred twenty-five percent of the state median family income at the time the student applies for an opportunity scholarship.

(5) "High employer demand program of study" has the same meaning as provided in RCW 28B.50.030.

(6) "Participant" means an eligible student who has received a scholarship under the opportunity scholarship program.

(7) "Program administrator" means a college scholarship organization that is a private nonprofit corporation registered under Title 24 RCW and qualified as a tax-exempt entity under section 501(c)(3) of the federal internal revenue code, with expertise in managing scholarships and college advising.

(8) "Resident student" has the same meaning as provided in RCW 28B.15.012.

NEW SECTION. Sec. 3. (1) The opportunity scholarship board is created. The opportunity scholarship board consists of seven members:

(a) Three members appointed by the governor. For two of the three appointments, the governor shall consider names from a list provided by the president of the senate and the speaker of the house of representatives; and

(b) Four foundation or business and industry representatives appointed by the governor from among the state's most productive industries such as aerospace, manufacturing, health sciences, information technology, and others. The foundation or business and industry representatives shall be selected from among nominations provided by the private sector donors to the opportunity scholarship and opportunity expansion programs. However, the governor may request, and the private sector donors shall provide, an additional list or lists from which the governor shall select these representatives.

(2) Board members shall hold their offices for a term of four years from the first day of September and until their successors are appointed. No more than the terms of two members may expire simultaneously on the last day of August in any one year.

(3) The members of the opportunity scholarship board shall elect one of the business and industry representatives to serve as chair.

(4) Five members of the board constitute a quorum for the transaction of business. In case of a vacancy, or when an appointment is made after the date of expiration of the term, the governor or the president of the senate or the speaker of the house of representatives, depending upon which made the initial appointment to that position, shall fill the vacancy for the remainder of the term of the board member whose office has become vacant or expired.

(5) The opportunity scholarship board shall be staffed by the program administrator.

(6) The purpose of the opportunity scholarship board is to provide oversight and guidance for the opportunity expansion and the opportunity scholarship programs in light of established legislative priorities and to fulfill the duties and responsibilities under this chapter, including but not limited to determining eligible education programs for purposes of the opportunity scholarship program. Duties, exercised jointly with the program administrator, include soliciting funds and setting annual fund-raising goals.

(7) The opportunity scholarship board may report to the governor and the appropriate committees of the legislature with recommendations as to:

(a) Whether some or all of the scholarships should be changed to conditional scholarships that must be repaid in the event the participant does not complete the eligible education program; and

(b) A source or sources of funds for the opportunity expansion program in addition to the voluntary contributions of the high technology research and development tax credit under section 10 of this act.

NEW SECTION. Sec. 4. (1) The program administrator, under contract with the board, shall staff the opportunity scholarship board and shall have the duties and responsibilities provided in this chapter, including but not limited to publicizing the program, selecting participants for the opportunity scholarship award, distributing opportunity scholarship awards, and achieving the maximum possible rate of return on investment of the accounts in subsection (2) of this section, while ensuring transparency in the investment decisions and processes. Duties, exercised jointly with the opportunity scholarship board, include soliciting funds and setting annual fund-raising goals. The program

administrator shall be paid an administrative fee as determined by the opportunity scholarship board.

(2) With respect to the opportunity scholarship program, the program administrator shall:

(a) Establish and manage two separate accounts into which to receive grants and contributions from private sources as well as state matching funds, and from which to disburse scholarship funds to participants;

(b) Solicit and accept grants and contributions from private sources, via direct payment, pledge agreement, or escrow account, of private sources for deposit into one or both of the two accounts created in this subsection (2)(b) in accordance with this subsection (2)(b):

(i) The "scholarship account," whose principal may be invaded, and from which scholarships must be disbursed beginning no later than December 1, 2011, if, by that date, state matching funds in the amount of five million dollars or more have been received. Thereafter, scholarships shall be disbursed on an annual basis beginning no later than May 1, 2012, and every May 1st thereafter;

(ii) The "endowment account," from which scholarship moneys may be disbursed from earnings only in years when:

(A) The state match has been made into both the scholarship and the endowment account;

(B) The state appropriations for the state need grant under RCW 28B.92.010 meet or exceed state appropriations for the state need grant made in the 2011-2013 biennium, adjusted for inflation, and eligibility for state need grant recipients is at least seventy percent of state median family income; and

(C) The state has demonstrated progress toward the goal of total per-student funding levels, from state appropriations plus tuition and fees, of at least the sixtieth percentile of total per-student funding at similar public institutions of higher education in the global challenge states, as defined, measured, and reported in RCW 28B.15.068. In any year in which the office of financial management reports that the state has not made progress toward this goal, no new scholarships may be awarded. In any year in which the office of financial management reports that the percentile of total per-student funding is less than the sixtieth percentile and at least five percent less than the prior year, pledges of future grants and contributions may, at the request of the donor, be released and grants and contributions already received refunded to the extent that opportunity scholarship awards already made can be fulfilled from the funds remaining in the endowment account; and

(iii) An amount equal to at least fifty percent of all grants and contributions must be deposited into the scholarship account until such time as twenty million dollars have been deposited into the account, after which time the private donors may designate whether their contributions must be deposited to the scholarship or the endowment account. The opportunity scholarship board and the program administrator must work to maximize private sector contributions to both the scholarship account and the endowment account, to maintain a robust scholarship program while simultaneously building the endowment, and to determine the division between the two accounts in the case of undesignated grants and contributions, taking into account the need for a long-term funding mechanism and the short-term needs of families and students in Washington. The first five million dollars in state match, as provided in section 5 of this act,

shall be deposited into the scholarship account and thereafter the state match shall be deposited into the two accounts in equal proportion to the private funds deposited in each account;

(c) Provide proof of receipt of grants and contributions from private sources to the board, identifying the amounts received by name of private source and date, and whether the amounts received were deposited into the scholarship or the endowment account;

(d) In consultation with the higher education coordinating board and the state board for community and technical colleges, make an assessment of the reasonable annual eligible expenses associated with eligible education programs identified by the opportunity scholarship board;

(e) Determine the dollar difference between tuition fees charged by institutions of higher education in the 2008-09 academic year and the academic year for which an opportunity scholarship is being distributed;

(f) Develop and implement an application, selection, and notification process for awarding opportunity scholarships;

(g) Determine the annual amount of the opportunity scholarship for each selected participant. The annual amount shall be at least one thousand dollars or the amount determined under (e) of this subsection, but may be increased on an income-based, sliding scale basis up to the amount necessary to cover all reasonable annual eligible expenses as assessed pursuant to (d) of this subsection, or to encourage participation in baccalaureate degree programs identified by the opportunity scholarship board;

(h) Distribute scholarship funds to selected participants. Once awarded, and to the extent funds are available for distribution, an opportunity scholarship shall be automatically renewed until the participant withdraws from or is no longer attending the program, completes the program, or has taken the credit or clock hour equivalent of one hundred twenty-five percent of the published length of time of the participant's program, whichever occurs first, and as long as the participant annually submits documentation of filing both a free application for federal student aid and for available federal education tax credits, including but not limited to the American opportunity tax credit; and

(i) Notify institutions of scholarship recipients who will attend their institutions and inform them of the terms of the students' eligibility.

(3) With respect to the opportunity expansion program, the program administrator shall:

(a) Assist the opportunity scholarship board in developing and implementing an application, selection, and notification process for making opportunity expansion awards; and

(b) Solicit and accept grants and contributions from private sources for opportunity expansion awards.

NEW SECTION. Sec. 5. (1) The opportunity scholarship program is established.

(2) The purpose of this scholarship program is to provide scholarships that will help low and middle-income Washington residents earn baccalaureate degrees in high employer demand and other programs of study and encourage them to remain in the state to work. The program must be designed for both students starting at two-year institutions of higher education and intending to

transfer to four-year institutions of higher education and students starting at four-year institutions of higher education.

(3) The opportunity scholarship board shall determine which programs of study, including but not limited to high employer demand programs, are eligible for purposes of the opportunity scholarship.

(4) The source of funds for the program shall be a combination of private grants and contributions and state matching funds. A state match may be earned under this section for private contributions made on or after the effective date of this section. A state match, up to a maximum of fifty million dollars annually, shall be provided beginning the later of January 1, 2014, or January 1st next following the end of the fiscal year in which collections of state retail sales and use tax, state business and occupation tax, and state public utility tax exceed, by ten percent the amounts collected from these tax resources in the fiscal year that ended June 30, 2008, as determined by the department of revenue.

NEW SECTION. Sec. 6. (1) The opportunity scholarship match transfer account is created in the custody of the state treasurer as a nonappropriated account to be used solely and exclusively for the opportunity scholarship program created in section 5 of this act. The purpose of the account is to provide matching funds for the opportunity scholarship program.

(2) Revenues to the account shall consist of appropriations by the legislature into the account and any gifts, grants, or donations received by the director of the board for this purpose.

(3) No expenditures from the account may be made except upon receipt of proof, by the director of the board from the program administrator, of private contributions to the opportunity scholarship program. Expenditures, in the form of matching funds, may not exceed the total amount of private contributions.

(4) Only the director of the board or the director's designee may authorize expenditures from the opportunity scholarship match transfer account. Such authorization must be made as soon as practicable following receipt of proof as required under subsection (3) of this section.

NEW SECTION. Sec. 7. (1) The opportunity expansion program is established.

(2) The opportunity scholarship board shall select institutions of higher education to receive opportunity expansion awards. In so doing, the opportunity scholarship board must:

(a) Solicit, receive, and evaluate proposals from institutions of higher education that are designed to directly increase the number of baccalaureate degrees produced in high employer demand and other programs of study, and that include annual numerical targets for the number of such degrees, with a strong emphasis on serving students who received their high school diploma or GED in Washington or are adult Washington residents who are returning to school to gain a baccalaureate degree;

(b) Develop criteria for evaluating proposals and awarding funds to the proposals deemed most likely to increase the number of baccalaureate degrees and degrees produced in high employer demand and other programs of study;

(c) Give priority to proposals that include a partnership between public and private partnership entities that leverage additional private funds;

(d) Give priority to proposals that are innovative, efficient, and cost-effective, given the nature and cost of the particular program of study;

(e) Consult and operate in consultation with existing higher education stakeholders, including but not limited to: Faculty, labor, student organizations, and relevant higher education agencies; and

(f) Determine which proposals to improve and accelerate the production of baccalaureate degrees in high employer demand and other programs of study will receive opportunity expansion awards for the following state fiscal year, notify the state treasurer, and announce the awards.

(3) The state treasurer, at the direction of the opportunity scholarship board, must distribute the funds that have been awarded to the institutions of higher education from the opportunity expansion account.

(4) Institutions of higher education receiving awards under this section may not supplant existing general fund state revenues with opportunity expansion awards.

(5) Annually, the office of financial management shall report to the opportunity scholarship board, the governor, and the relevant committees of the legislature regarding the percentage of Washington households with incomes in the middle-income bracket or higher. For purposes of this section, "middle-income bracket" means household incomes between two hundred and five hundred percent of the 2010 federal poverty level, as determined by the United States department of health and human services for a family of four, adjusted annually for inflation.

(6) Annually, the higher education coordinating board must report to the opportunity scholarship board, the governor, and the relevant committees of the legislature regarding the increase in the number of degrees in high employer demand and other programs of study awarded by institutions of higher education over the average of the preceding ten academic years.

(7) In its comprehensive plan, the workforce training and education coordinating board shall include specific strategies to reach the goal of increasing the percentage of Washington households living in the middle-income bracket or higher, as calculated by the office of financial management and developed by the agency or education institution that will lead the strategy.

NEW SECTION, Sec. 8. (1) By December 1, 2012, and annually each December 1st thereafter, the opportunity scholarship board, together with the program administrator, shall report to the board, the governor, and the appropriate committees of the legislature regarding the opportunity scholarship and opportunity expansion programs, including but not limited to:

(a) Which education programs the opportunity scholarship board determined were eligible for purposes of the opportunity scholarship;

(b) The number of applicants for the opportunity scholarship, disaggregated, to the extent possible, by race, ethnicity, gender, county of origin, age, and median family income;

(c) The number of participants in the opportunity scholarship program, disaggregated, to the extent possible, by race, ethnicity, gender, county of origin, age, and median family income;

(d) The number and amount of the scholarships actually awarded, and whether the scholarships were paid from the scholarship account or the endowment account;

(e) The institutions and eligible education programs in which opportunity scholarship participants enrolled, together with data regarding participants' completion and graduation;

(f) The total amount of private contributions and state match moneys received for the opportunity scholarship program, how the funds were distributed between the scholarship and endowment accounts, the interest or other earnings on the accounts, and the amount of any administrative fee paid to the program administrator; and

(g) Identification of the programs the opportunity scholarship board selected to receive opportunity expansion awards and the amount of such awards.

(2) In the next succeeding legislative session following receipt of a report required under subsection (1) of this section, the appropriate committees of the legislature shall review the report and consider whether any legislative action is necessary with respect to either the opportunity scholarship program or the opportunity expansion program, including but not limited to consideration of whether any legislative action is necessary with respect to the nature and level of focus on high employer demand fields and the number and amount of scholarships.

NEW SECTION. Sec. 9. (1) Beginning in 2018, the joint legislative audit and review committee shall evaluate the opportunity scholarship and opportunity expansion programs, and submit a report to the appropriate committees of the legislature by December 1, 2018. The committee's evaluation shall include, but not be limited to:

(a) The number and type of eligible education programs as determined by the opportunity scholarship board;

(b) The number of participants in the opportunity scholarship program in relation to the number of participants who completed a baccalaureate degree;

(c) The total cumulative number of students who received opportunity scholarships, and the total cumulative number of students who gained a baccalaureate degree after receiving an opportunity scholarship and the types of baccalaureate degrees awarded;

(d) The amount of private contributions to the opportunity scholarship program, annually and in total;

(e) The amount of state match moneys to the opportunity scholarship program, annually and in total;

(f) The amount of any administrative fees paid to the program administrator, annually and in total;

(g) The source and amount of funding, annually and cumulatively, for the opportunity expansion program;

(h) The number and type of proposals submitted by institutions for opportunity expansion awards, the number and type of proposals that received an award of opportunity expansion funds, and the amount of such awards;

(i) The total cumulative number of additional high employer demand degrees produced in Washington state due to the opportunity expansion program, including both the initial opportunity expansion awards and the subsequent inclusion in base funding; and

(j) Evidence that the existence of the opportunity scholarship and opportunity expansion programs have contributed to the achievement of the public policy objectives of helping to mitigate the impact of tuition increases,

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increasing the number of baccalaureate degrees in high employer demand and other programs, and investing in programs and students to meet market demands for a knowledge-based economy while filling middle-income jobs with a sufficient supply of skilled workers.

(2) In the event that the joint legislative audit and review committee is charged with completing an evaluation of other aspects of degree production, funding, or other aspects of higher education in 2018, and to the extent that it is economical and feasible to do so, the committee shall combine the multiple evaluations and submit a single report.

NEW SECTION. Sec. 10. A new section is added to chapter 82.32 RCW to read as follows:

A person eligible for the high technology research and development tax credit under RCW 82.04.4452 may contribute all or any portion of the credit to the opportunity expansion account hereby created in the state treasury. The department must create the forms and processes to allow a person to make such an election easily and quickly by means of checking a box. By May 1, 2012, and by May 1st of every year thereafter, the department must report the amount so contributed and certify the amount to the state treasurer. By July 1, 2012, and by July 1st of every year thereafter, the state treasurer must transfer the amount into the opportunity expansion account. Money in the account may only be appropriated for the purposes specified in section 7 of this act.

NEW SECTION. Sec. 11. This chapter may be known and cited as the opportunity scholarship act.

NEW SECTION. Sec. 12. Sections 1 through 9 and 11 of this act constitute a new chapter in Title 28B RCW.

NEW SECTION. Sec. 13. 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.

Passed by the House May 25, 2011.
Passed by the Senate May 25, 2011.
Approved by the Governor June 6, 2011.
Filed in Office of Secretary of State June 7, 2011.

CHAPTER 14

[Second Engrossed Senate Bill 5764]

INNOVATE WASHINGTON—CREATION

AN ACT Relating to innovate Washington; amending RCW 28B.50.902, 70.210.010, 70.210.020, 70.210.030, 70.210.040, 70.210.050, 70.210.060, 70.210.070, 42.30.110, and 42.56.270; adding a new section to chapter 41.06 RCW; adding a new chapter to Title 43 RCW; recodifying RCW 70.210.070; repealing RCW 28B.20.283, 28B.20.285, 28B.20.287, 28B.20.289, 28B.20.291, 28B.20.293, 28B.20.295, 28B.20.296, 28B.20.297, 28B.38.010, 28B.38.020, 28B.38.030, 28B.38.040, 28B.38.050, 28B.38.060, 28B.38.070, and 28B.38.900; and providing an effective date.

Be it enacted by the Legislature of the State of Washington:

NEW SECTION. Sec. 1. (1) Innovate Washington is hereby created as a state agency exercising public and essential governmental functions. Innovate Washington is created as the successor to the Washington technology center and the Spokane intercollegiate research and technology institute. Innovate

Washington is created to be a collaborative effort between the state's public and private institutions of higher education, private industry, and government and is to be the primary agency focused on growing the innovation-based economic sectors of the state and responding to the technology transfer needs of existing businesses in the state.

(2) The mission of innovate Washington is to make Washington the best place to develop, build, and deploy innovative products, services, and solutions to serve the world. To carry out this mission, innovate Washington is to: Develop and strengthen academic-industry relationships through research and assistance that is primarily of interest to existing small and medium-sized Washington-based companies; facilitate company growth through early stage financing; and leverage state investments in sector-focused, innovation-based economic development initiatives consistent with the state's economic development strategic plan and export strategy. As funds are available, innovate Washington shall:

(a) Facilitate leading edge collaborative research and technology transfer opportunities to existing state businesses directly and by working with industry associations and innovation partnership zones;

(b) Coordinate its activities with the commercialization and technology transfer activities of the state's research institutions to facilitate research that supports and develops state industries;

(c) Provide methods, systems, and venues for effective interaction and collaboration between the state's technology-based industries and its institutions of higher education;

(d) Provide assistance and support to businesses in:

(i) Securing federal and private funds to support product research and commercialization;

(ii) Developing and integrating technology in new or enhanced products and services; and

(iii) Launching those products and services in sustainable businesses in the state;

(e) Establish programmatic activities that, through partnerships with the private sector, increase the competitiveness of state industries. This may include support provided to firms in innovation partnership zones established under RCW 43.330.270;

(f) Provide opportunities for training undergraduate and graduate students in technology transfer and commercialization processes through direct involvement in research and industry interactions;

(g) Work with regional public and private utilities, district energy providers, the utilities and transportation commission, and the state energy office to improve the alignment of investments in clean energy technologies with existing state policies. This may include facilitating public-private partnerships to encourage research and development of emerging clean and renewable energy technologies;

(h) Serve as the lead entity in the state for coordinating clean energy-related initiatives and establishing a long-term funding strategy for programs targeted at expanding the clean energy sector, while maintaining existing energy policy and regulatory functions at the department of commerce within the state energy office;

(i) Administer technology and innovation grant and loan programs including bridge funding programs for the state's technology sector;

(j) Emphasize and develop nonstate support of program activities; and

(k) Facilitate public-private partnerships that support the growth of strategic, innovation-based sectors.

(3)(a) Administrative responsibilities for the Washington technology center facilities located on the University of Washington Seattle campus and the Spokane intercollegiate research and technology institute facilities located on the Riverpoint campus operated by Washington State University Spokane are hereby transferred to innovate Washington except to the extent that such responsibilities are the subject of an interagency agreement between the University of Washington and the Washington technology center, in which case the terms of that agreement control. The facilities shall be used for purposes consistent with the obligations of innovate Washington under this chapter. As initially established, the University of Washington and Washington State University shall continue to provide the facility support and maintenance for these facilities as required by innovate Washington, except to the extent that such responsibilities are the subject of an interagency agreement between the University of Washington and the Washington technology center, in which case the terms of that agreement control. Other institutions of higher education may provide facility support and maintenance subsequently.

(b) The University of Washington, Washington State University, and other institutions of higher education participating in innovate Washington programs shall provide the affiliated staff and faculty participating in these programs at their own expense.

(4) The facilities of innovate Washington may be made available to any research institution or any public institution of higher education within the state when this would benefit specific program needs consistent with this chapter.

(5) Innovate Washington shall, by December 1, 2012, develop a five-year business plan that must be updated by December 1st of every even-numbered year and submitted to the appropriate committees of the legislature. The plan must include:

(a) A plan for operating additional facilities in Vancouver, the Tri-Cities, Bellingham, and such other locations as the innovate Washington board identifies as appropriate;

(b) Identification and specification of activities to be undertaken by those operating each of innovate Washington's facilities to include potential collaboration with innovative programs at the state's community and technical colleges and methods of working with the centers of excellence established under RCW 28B.50.902 to identify businesses that could benefit from innovate Washington services;

(c) The process to be followed, developed in collaboration with impact Washington or any successor manufacturing extension partnership program operating in the state, to ensure that impact Washington clients have ready access to innovate Washington's services when appropriate and that companies being assisted by innovate Washington have ready access to impact Washington's services; and

(d) Mechanisms for outreach to firms operating in the state's innovation partnership zones established under RCW 43.330.270 to ensure such firms benefit from innovate Washington services.

(6) The five-year business plan required under this section must include a clean energy component that includes:

(a) A strategy for implementation of the first three market-driving initiatives identified by the clean energy leadership council in its 2010 report. These market-driving initiatives are in the areas of:

(i) Combined energy efficiency, green buildings, and smart grid;

(ii) Renewable energy resource optimization and smart grid deployment;
and

(iii) Bioenergy deployment acceleration.

(b) Recommendations on ways to improve policy alignment, streamline regulatory requirements, and remove administrative barriers that limit the growth of the clean energy sector in Washington.

(7) For the purposes of this section, "lead entity" means the organization that all other state agencies must coordinate with and receive approval from in order to award state funds in support of clean energy initiatives.

NEW SECTION. Sec. 2. (1) The powers of innovate Washington are vested in and shall be exercised by a board of directors consisting of:

(a) The governor of the state of Washington or the governor's designee;

(b)(i) The president of the senate shall appoint one member from each of the two largest caucuses of the senate;

(ii) The speaker of the house of representatives shall appoint one member from each of the two largest caucuses of the house of representatives;

(c) The president of the University of Washington or the president's designee;

(d) The president of Washington State University or the president's designee;

(e) The director of the department of commerce or the director's designee;

(f) The chairs of the sector advisory committees created under this chapter shall serve as ex officio voting members; and

(g) Seven members appointed by the governor from among individuals who own or are executives at technology-based and innovative firms in the state; of these members, at least four must be from firms manufacturing in the state. The term of office for each board member appointed by the governor shall be three years except, of the initial appointees, three shall be appointed for one year and three shall be appointed for two years. Members of the board may be appointed for additional terms.

(2) The board shall meet at least biannually. The initial meeting of the board must occur before December 31, 2011.

(3) A board member may be removed by the governor for cause under RCW 43.06.070 and 43.06.080. The governor must fill any vacancy on the board by appointment for the remainder of the unexpired term.

(4)(a) The appointed members of the board shall be compensated in accordance with RCW 43.03.240 and may be reimbursed for expenses incurred in the discharge of their duties under this chapter pursuant to RCW 43.03.050 and 43.03.060.

(b) The ex officio members of the board under subsection (1)(a) and (c) through (g) of this section may be reimbursed for expenses incurred in the discharge of their duties under this chapter pursuant to RCW 43.03.050 and 43.03.060.

(c) Legislative members of the board may be reimbursed for expenses incurred in the discharge of their duties under this chapter pursuant to RCW 44.04.120.

(5) A majority of currently serving board members constitutes a quorum.

(6) Meetings of the board shall be held in accordance with the open public meetings act, chapter 42.30 RCW, and at the call of the chair or when a majority of the board members so requests. Meetings of the board may be held at any location within or out of the state, and board members may participate in a meeting of the board by means of a conference telephone or similar communication equipment under RCW 23B.08.200.

(7) The innovate Washington board must:

(a) Develop operating policies for innovate Washington programs;

(b) Appoint, and perform an annual performance review of, an executive director;

(c) Approve an annual operating budget and ensure adequate funding for operations;

(d) Approve a five-year business plan and its updates;

(e) Perform the duties required under chapter 70.210 RCW relating to the investing in innovation program;

(f) Convene representatives of the commercialization and technology transfer offices of private and public research institutions in the state to determine the best methods for:

(i) Integrating existing databases into a single database of in-state technologies and inventions;

(ii) Making the technologies in the integrated database accessible; and

(iii) Promoting the integrated database to entrepreneurs and investors for commercialization and licensing purposes;

(g) Set performance goals for each program or service established; and

(h) Provide a report to the governor and the legislature detailing the fund-raising activities and outcomes, operations, economic impact, and performance of innovate Washington. The report is due by December 1st of every year and the first report is due by December 1, 2012. The report must include measures related to customer satisfaction as well as measures of results derived from assistance provided to businesses, including but not limited to manufacturing facilities established in Washington, job creation inside and outside of Washington, new product development, new markets opened and other export measures, the adoption of new production processes, revenue and sales growth, measures that would be included in a balanced scorecard, and such other outcome-based measures as the board determines is appropriate.

(8) The board may:

(a) Make and execute agreements, contracts, and other instruments with any private, public, or nonprofit entity for the performance, operation, administration, implementation, or advancement of any program in accordance with this chapter;

(b) Employ, contract with, or engage staff, advisors, auditors, other technical or professional assistants, and such other personnel as are necessary or desirable to implement this chapter. Staff support for innovate Washington programs may be provided through cooperative agreements with any public or private institution of higher education;

(c) Solicit and receive gifts, grants, donations, sponsorships, or contributions from any federal, state, or local governmental agency or program or any private source, and expend the same for any purpose consistent with this chapter;

(d) Establish such:

(i) Affiliated organizations, that may not be considered state agencies as defined under chapter 43.88 RCW, to facilitate partnerships and program delivery with the private sector;

(ii) Special funds consistent with the provisions of chapter 43.88 RCW; and

(iii) Controls as it finds convenient for the implementation of this chapter;

(e) Create one or more advisory committees;

(f) Adopt rules consistent with this chapter;

(g) Delegate any of its powers and duties if consistent with the purposes of this chapter; and

(h) Exercise any other power reasonably required to implement the purposes of this chapter.

NEW SECTION. Sec. 3. (1) To increase participation by Washington state small business innovators in federal small business research programs, innovate Washington shall provide or contract for the provision of a small business innovation assistance program. The program must include a proposal review process and must train and assist Washington small business innovators to win awards from federal small business research programs. The program must collaborate with small business development centers, entrepreneur-in-residence programs, and other appropriate sources of technical assistance to ensure that small business innovators also receive the planning, counseling, and support services necessary to expand their businesses and protect their intellectual property.

(2) In operating the program, innovate Washington must give priority to first-time applicants to the federal small business research programs, new businesses, and firms with fewer than ten employees, and may charge a fee for its services.

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

(a) "Federal small business research programs" means the programs, operating pursuant to the small business innovation development act of 1982, P.L. 97-219, and the small business technology transfer act of 1992, P.L. 102-564, title II, that provide funds to small businesses to conduct research having commercial application.

(b) "Small business" means a corporation, partnership, sole proprietorship, or individual, operating a business for profit, with two hundred fifty employees or fewer, including employees employed in a subsidiary or affiliated corporation, that otherwise meets the requirements of federal small business research programs.

NEW SECTION. Sec. 4. The investing in innovation account is created in the custody of the state treasurer to receive state and federal funds, grants, private gifts, or contributions to further the purpose of innovate Washington. Expenditures from the account may be used only for the purposes of the investing in innovation programs established in chapter 70.210 RCW and any other purpose consistent with this chapter. Only the executive director of innovate Washington or the executive director's designee may authorize expenditures from the account. The account is subject to allotment procedures under chapter 43.88 RCW, but an appropriation is not required for expenditures.

NEW SECTION. Sec. 5. A new section is added to chapter 41.06 RCW to read as follows:

In addition to the exemptions in RCW 41.06.070, this chapter does not apply to any position in or employee of innovate Washington under chapter 43.— RCW (the new chapter created in section 20 of this act).

Sec. 6. RCW 28B.50.902 and 2009 c 151 s 4 are each amended to read as follows:

(1) The college board, in consultation with business, industry, labor, the workforce training and education coordinating board, the department of ~~((community, trade, and economic development))~~ commerce, the employment security department, and community and technical colleges, shall designate centers of excellence and allocate funds to existing and new centers of excellence based on a competitive basis.

(2) Eligible applicants for the program established under this section include community and technical colleges. Priority shall be given to applicants that have an established education and training program serving the targeted industry and that have in their home district or region an industry cluster with the same targeted industry at its core.

(3) It is the role of centers of excellence to employ strategies to:

(a) Create educational efficiencies;

(b) Build a diverse, competitive workforce for strategic industries;

(c) Maintain an institutional reputation for innovation and responsiveness;

(d) Develop innovative curriculum and means of delivering education and training;

(e) Act as brokers of information and resources related to community and technical college education and training ~~((for))~~ and assistance available for firms in a targeted industry, including working with innovate Washington to develop methods to identify businesses within a targeted industry that could benefit from the services offered by innovate Washington under chapter 43.— RCW (the new chapter created in section 20 of this act); and

(f) Serve as partners with workforce development councils, associate development organizations, and other workforce and economic development organizations.

(4) Examples of strategies under subsection (3) of this section include but are not limited to: Sharing curriculum and other instructional resources, to ensure cost savings to the system; delivering collaborative certificate and degree programs; and holding statewide summits, seminars, conferences, and workshops on industry trends and best practices in community and technical college education and training.

Sec. 7. RCW 70.210.010 and 2003 c 403 s 1 are each amended to read as follows:

It is the intent of the legislature to promote growth in the technology sectors of our state's economy and to particularly focus support on the ~~((creation and))~~ commercialization of intellectual property ~~((in the technology, energy, and telecommunications industries))~~ and the manufacture of innovative products in the state.

Sec. 8. RCW 70.210.020 and 2003 c 403 s 2 are each amended to read as follows:

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

(1) ~~((“Center” means the Washington technology center established under RCW 28B.20.283 through 28B.20.295.~~

~~(2))~~ “Board” means the Innovate Washington board of directors ~~((for the center)).~~

(3) “Innovate Washington” means the agency created in section 1 of this act.

Sec. 9. RCW 70.210.030 and 2003 c 403 s 4 are each amended to read as follows:

(1) The investing in innovation ~~((grants))~~ program is established.

(2) ~~((The center))~~ Innovate Washington shall periodically make strategic assessments of the types of ~~((state))~~ investments in research ~~((and))~~ technology, and industrial development in this state that would likely create new products, jobs, and business opportunities and produce the most beneficial long-term improvements to the lives and health of the citizens of the state. The assessments shall be available to the public and shall be used to guide decisions on awarding ~~((grants))~~ funds under this chapter.

Sec. 10. RCW 70.210.040 and 2003 c 403 s 5 are each amended to read as follows:

The board shall:

(1) Develop criteria for the awarding of loans or grants to qualifying universities, institutions, businesses, or individuals;

(2) Make decisions regarding distribution of ~~((grant))~~ funds ~~((and make grant awards)); ((and))~~

(3) In making ~~((grant awards, seek to provide a balance between research grant awards and commercialization grant awards))~~ funding decisions and to the extent that economic impact is not diminished, provide priority to enterprises that:

(a) Were created through, and have existing intellectual property agreements in place with, public and private research institutions in the state; and

(b) Intend to produce new products or services, develop or expand facilities, or manufacture in the state; and

(4) Specify in contracts awarding funds that recipients must utilize funding received to support operations in the state of Washington and must subsequently report on the impact of their research, development, and any subsequent production activities within Washington for a period of ten years following the award of funds, and that a failure to comply with this requirement will obligate the recipient to return the amount of the award plus interest as determined by the board.

Ch. 14

WASHINGTON LAWS, 2011 Sp. Sess.

Sec. 11. RCW 70.210.050 and 2003 c 403 s 6 are each amended to read as follows:

(1) The board may accept grant and loan proposals and establish a competitive process for the awarding of grants and loans.

(2) The board shall establish a peer review committee to include board members, scientists, engineers, and individuals with specific recognized expertise. The peer review committee shall provide to the board an independent peer review of all proposals determined to be competitive for a loan or grant award that are submitted to the board.

(3) In the awarding of grants and loans, priority shall be given to proposals that leverage additional private and public funding resources.

~~(4) ((Up to fifty percent of available funds from the investing in innovation account may be used to support commercialization opportunities for research in Washington state through an organization with commercialization expertise such as the Spokane intercollegiate research and technology institute.~~

~~(5) The center)) Innovate Washington may not be a direct recipient of ((grant awards)) funding under this chapter ((403, Laws of 2003))~~

Sec. 12. RCW 70.210.060 and 2003 c 403 s 7 are each amended to read as follows:

The board shall establish performance benchmarks against which the program will be evaluated. The ~~((grants))~~ program shall be reviewed periodically by the board. The board shall report annually to the appropriate standing committees of the legislature on loans made and grants awarded and as appropriate on program reviews conducted by the board.

Sec. 13. RCW 70.210.070 and 2003 c 403 s 8 are each amended to read as follows:

(1) ~~((The center))~~ Innovate Washington shall administer the investing in innovation ~~((grants))~~ program.

(2) Not more than one percent of the available funds from the investing in innovation account may be used for administrative costs of the program.

Sec. 14. RCW 42.30.110 and 2010 1st sp.s. c 33 s 5 are each amended to read as follows:

(1) Nothing contained in this chapter may be construed to prevent a governing body from holding an executive session during a regular or special meeting:

(a) To consider matters affecting national security;

(b) To consider the selection of a site or the acquisition of real estate by lease or purchase when public knowledge regarding such consideration would cause a likelihood of increased price;

(c) To consider the minimum price at which real estate will be offered for sale or lease when public knowledge regarding such consideration would cause a likelihood of decreased price. However, final action selling or leasing public property shall be taken in a meeting open to the public;

(d) To review negotiations on the performance of publicly bid contracts when public knowledge regarding such consideration would cause a likelihood of increased costs;

(e) To consider, in the case of an export trading company, financial and commercial information supplied by private persons to the export trading company;

(f) To receive and evaluate complaints or charges brought against a public officer or employee. However, upon the request of such officer or employee, a public hearing or a meeting open to the public shall be conducted upon such complaint or charge;

(g) To evaluate the qualifications of an applicant for public employment or to review the performance of a public employee. However, subject to RCW 42.30.140(4), discussion by a governing body of salaries, wages, and other conditions of employment to be generally applied within the agency shall occur in a meeting open to the public, and when a governing body elects to take final action hiring, setting the salary of an individual employee or class of employees, or discharging or disciplining an employee, that action shall be taken in a meeting open to the public;

(h) To evaluate the qualifications of a candidate for appointment to elective office. However, any interview of such candidate and final action appointing a candidate to elective office shall be in a meeting open to the public;

(i) To discuss with legal counsel representing the agency matters relating to agency enforcement actions, or to discuss with legal counsel representing the agency litigation or potential litigation to which the agency, the governing body, or a member acting in an official capacity is, or is likely to become, a party, when public knowledge regarding the discussion is likely to result in an adverse legal or financial consequence to the agency.

This subsection (1)(i) does not permit a governing body to hold an executive session solely because an attorney representing the agency is present. For purposes of this subsection (1)(i), "potential litigation" means matters protected by RPC 1.6 or RCW 5.60.060(2)(a) concerning:

(i) Litigation that has been specifically threatened to which the agency, the governing body, or a member acting in an official capacity is, or is likely to become, a party;

(ii) Litigation that the agency reasonably believes may be commenced by or against the agency, the governing body, or a member acting in an official capacity; or

(iii) Litigation or legal risks of a proposed action or current practice that the agency has identified when public discussion of the litigation or legal risks is likely to result in an adverse legal or financial consequence to the agency;

(j) To consider, in the case of the state library commission or its advisory bodies, western library network prices, products, equipment, and services, when such discussion would be likely to adversely affect the network's ability to conduct business in a competitive economic climate. However, final action on these matters shall be taken in a meeting open to the public;

(k) To consider, in the case of the state investment board, financial and commercial information when the information relates to the investment of public trust or retirement funds and when public knowledge regarding the discussion would result in loss to such funds or in private loss to the providers of this information;

(l) To consider proprietary or confidential nonpublished information related to the development, acquisition, or implementation of state purchased health care services as provided in RCW 41.05.026;

(m) To consider in the case of the life sciences discovery fund authority, the substance of grant applications and grant awards when public knowledge regarding the discussion would reasonably be expected to result in private loss to the providers of this information;

(n) To consider in the case of a health sciences and services authority, the substance of grant applications and grant awards when public knowledge regarding the discussion would reasonably be expected to result in private loss to the providers of this information;

(o) To consider in the case of innovate Washington, the substance of grant or loan applications and grant or loan awards if public knowledge regarding the discussion would reasonably be expected to result in private loss to the providers of this information.

(2) Before convening in executive session, the presiding officer of a governing body shall publicly announce the purpose for excluding the public from the meeting place, and the time when the executive session will be concluded. The executive session may be extended to a stated later time by announcement of the presiding officer.

Sec. 15. RCW 42.56.270 and 2009 c 394 s 3 are each amended to read as follows:

The following financial, commercial, and proprietary information is exempt from disclosure under this chapter:

(1) Valuable formulae, designs, drawings, computer source code or object code, and research data obtained by any agency within five years of the request for disclosure when disclosure would produce private gain and public loss;

(2) Financial information supplied by or on behalf of a person, firm, or corporation for the purpose of qualifying to submit a bid or proposal for (a) a ferry system construction or repair contract as required by RCW 47.60.680 through 47.60.750 or (b) highway construction or improvement as required by RCW 47.28.070;

(3) Financial and commercial information and records supplied by private persons pertaining to export services provided under chapters 43.163 and 53.31 RCW, and by persons pertaining to export projects under RCW 43.23.035;

(4) Financial and commercial information and records supplied by businesses or individuals during application for loans or program services provided by chapters 43.325, 43.163, 43.160, 43.330, and 43.168 RCW, or during application for economic development loans or program services provided by any local agency;

(5) Financial information, business plans, examination reports, and any information produced or obtained in evaluating or examining a business and industrial development corporation organized or seeking certification under chapter 31.24 RCW;

(6) Financial and commercial information supplied to the state investment board by any person when the information relates to the investment of public trust or retirement funds and when disclosure would result in loss to such funds or in private loss to the providers of this information;

(7) Financial and valuable trade information under RCW 51.36.120;

(8) Financial, commercial, operations, and technical and research information and data submitted to or obtained by the clean Washington center in applications for, or delivery of, program services under chapter 70.95H RCW;

(9) Financial and commercial information requested by the public stadium authority from any person or organization that leases or uses the stadium and exhibition center as defined in RCW 36.102.010;

(10)(a) Financial information, including but not limited to account numbers and values, and other identification numbers supplied by or on behalf of a person, firm, corporation, limited liability company, partnership, or other entity related to an application for a horse racing license submitted pursuant to RCW 67.16.260(1)(b), liquor license, gambling license, or lottery retail license;

(b) Internal control documents, independent auditors' reports and financial statements, and supporting documents: (i) Of house-banked social card game licensees required by the gambling commission pursuant to rules adopted under chapter 9.46 RCW; or (ii) submitted by tribes with an approved tribal/state compact for class III gaming;

(11) Proprietary data, trade secrets, or other information that relates to: (a) A vendor's unique methods of conducting business; (b) data unique to the product or services of the vendor; or (c) determining prices or rates to be charged for services, submitted by any vendor to the department of social and health services for purposes of the development, acquisition, or implementation of state purchased health care as defined in RCW 41.05.011;

(12)(a) When supplied to and in the records of the department of ~~((community, trade, and economic development))~~ commerce:

(i) Financial and proprietary information collected from any person and provided to the department of ~~((community, trade, and economic development))~~ commerce pursuant to RCW 43.330.050(8); and

(ii) Financial or proprietary information collected from any person and provided to the department of ~~((community, trade, and economic development))~~ commerce or the office of the governor in connection with the siting, recruitment, expansion, retention, or relocation of that person's business and until a siting decision is made, identifying information of any person supplying information under this subsection and the locations being considered for siting, relocation, or expansion of a business;

(b) When developed by the department of ~~((community, trade, and economic development))~~ commerce based on information as described in (a)(i) of this subsection, any work product is not exempt from disclosure;

(c) For the purposes of this subsection, "siting decision" means the decision to acquire or not to acquire a site;

(d) If there is no written contact for a period of sixty days to the department of ~~((community, trade, and economic development))~~ commerce from a person connected with siting, recruitment, expansion, retention, or relocation of that person's business, information described in (a)(ii) of this subsection will be available to the public under this chapter;

(13) Financial and proprietary information submitted to or obtained by the department of ecology or the authority created under chapter 70.95N RCW to implement chapter 70.95N RCW;

(14) Financial, commercial, operations, and technical and research information and data submitted to or obtained by the life sciences discovery fund

authority in applications for, or delivery of, grants under chapter 43.350 RCW, to the extent that such information, if revealed, would reasonably be expected to result in private loss to the providers of this information;

(15) Financial and commercial information provided as evidence to the department of licensing as required by RCW 19.112.110 or 19.112.120, except information disclosed in aggregate form that does not permit the identification of information related to individual fuel licensees;

(16) Any production records, mineral assessments, and trade secrets submitted by a permit holder, mine operator, or landowner to the department of natural resources under RCW 78.44.085;

(17)(a) Farm plans developed by conservation districts, unless permission to release the farm plan is granted by the landowner or operator who requested the plan, or the farm plan is used for the application or issuance of a permit;

(b) Farm plans developed under chapter 90.48 RCW and not under the federal clean water act, 33 U.S.C. Sec. 1251 et seq., are subject to RCW 42.56.610 and 90.64.190;

(18) Financial, commercial, operations, and technical and research information and data submitted to or obtained by a health sciences and services authority in applications for, or delivery of, grants under RCW 35.104.010 through 35.104.060, to the extent that such information, if revealed, would reasonably be expected to result in private loss to providers of this information;

(19) Information gathered under chapter 19.85 RCW or RCW 34.05.328 that can be identified to a particular business; ~~((and))~~

(20) Financial and commercial information submitted to or obtained by the University of Washington, other than information the university is required to disclose under RCW 28B.20.150, when the information relates to investments in private funds, to the extent that such information, if revealed, would reasonably be expected to result in loss to the University of Washington consolidated endowment fund or to result in private loss to the providers of this information; and

(21) Financial, commercial, operations, and technical and research information and data submitted to or obtained by innovate Washington in applications for, or delivery of, grants and loans under chapter 43.— RCW (the new chapter created in section 20 of this act), to the extent that such information, if revealed, would reasonably be expected to result in private loss to the providers of this information.

NEW SECTION. Sec. 16. The following acts or parts of acts are each repealed:

(1) RCW 28B.20.283 (Washington technology center—Findings) and 1995 c 399 s 25 & 1992 c 142 s 1;

(2) RCW 28B.20.285 (Washington technology center—Created—Purpose) and 2004 c 151 s 3, 2003 c 403 s 10, 1992 c 142 s 3, & 1983 1st ex.s. c 72 s 11;

(3) RCW 28B.20.287 (Washington technology center—Definitions) and 2004 c 151 s 4 & 1992 c 142 s 2;

(4) RCW 28B.20.289 (Washington technology center—Administration—Board of directors) and 2003 c 403 s 11, 1995 c 399 s 26, & 1992 c 142 s 4;

(5) RCW 28B.20.291 (Washington technology center—Support from participating institutions) and 1992 c 142 s 5;

(6) RCW 28B.20.293 (Washington technology center—Role of department of community, trade, and economic development) and 1995 c 399 s 27 & 1992 c 142 s 6;

(7) RCW 28B.20.295 (Washington technology center—Availability of facilities to other institutions) and 1992 c 142 s 7;

(8) RCW 28B.20.296 (Washington technology center—Renewable energy and energy efficiency business development—Strategic plan) and 2004 c 151 s 2;

(9) RCW 28B.20.297 (Washington technology center—Small business innovation research assistance program) and 2005 c 357 s 1;

(10) RCW 28B.38.010 (Spokane intercollegiate research and technology institute) and 2004 c 275 s 55 & 1998 c 344 s 9;

(11) RCW 28B.38.020 (Administration—Board of directors—Powers and duties) and 1998 c 344 s 10;

(12) RCW 28B.38.030 (Support from participating institutions) and 1998 c 344 s 11;

(13) RCW 28B.38.040 (Operating staff—Cooperative agreements for programs and research) and 1998 c 344 s 12;

(14) RCW 28B.38.050 (Role of department of community, trade, and economic development) and 1998 c 344 s 13;

(15) RCW 28B.38.060 (Availability of facilities to other institutions) and 1998 c 344 s 14;

(16) RCW 28B.38.070 (Authority to receive and expend funds) and 1998 c 344 s 15; and

(17) RCW 28B.38.900 (Captions not law) and 1998 c 344 s 16.

NEW SECTION. Sec. 17. (1) The Spokane intercollegiate research and technology institute and the Washington technology center are hereby abolished and the powers, duties, and functions are hereby transferred to innovate Washington. Once the board created in section 2 of this act has convened, all references to the Spokane intercollegiate research and technology institute or the Washington technology center in the Revised Code of Washington shall be construed to mean innovate Washington.

(2)(a) All reports, documents, surveys, books, records, files, papers, or written material in the possession of the Spokane intercollegiate research and technology institute or the Washington technology center shall be delivered to the custody of innovate Washington. All cabinets, furniture, office equipment, motor vehicles, and other tangible property employed by the Spokane intercollegiate research and technology institute or the Washington technology center shall be made available to innovate Washington. All funds, credits, or other assets held by the Spokane intercollegiate research and technology institute or the Washington technology center shall be assigned to innovate Washington.

(b) Any appropriations made to the Spokane intercollegiate research and technology institute or the Washington technology center shall, on the effective date of this section, be transferred and credited to innovate Washington.

(c) If any question arises as to the transfer of any personnel, funds, books, documents, records, papers, files, equipment, or other tangible property used or held in the exercise of the powers and the performance of the duties and functions transferred, the director of financial management shall make a

determination as to the proper allocation and certify the same to the state agencies concerned.

(3) All employees of the Spokane intercollegiate research and technology institute or the Washington technology center are transferred to the jurisdiction of innovate Washington. All employees classified under chapter 41.06 RCW, the state civil service law, are assigned to innovate Washington to perform their usual duties upon the same terms as formerly, without any loss of rights, subject to any action that may be appropriate thereafter in accordance with the laws and rules governing state civil service.

(4) All rules and all pending business before the Spokane intercollegiate research and technology institute or the Washington technology center shall be continued and acted upon by innovate Washington. All existing contracts and obligations shall remain in full force and shall be performed by innovate Washington.

(5) The transfer of the powers, duties, functions, and personnel of the Spokane intercollegiate research and technology institute and the Washington technology center shall not affect the validity of any act performed before the effective date of this section.

(6) If apportionments of budgeted funds are required because of the transfers directed by this section, the director of financial management shall certify the apportionments to the agencies affected, the state auditor, and the state treasurer. Each of these shall make the appropriate transfer and adjustments in funds and appropriation accounts and equipment records in accordance with the certification.

(7) All classified employees of the Spokane intercollegiate research and technology institute or the Washington technology center assigned to innovate Washington under this section whose positions are within an existing bargaining unit description at innovate Washington shall become a part of the existing bargaining unit at innovate Washington and shall be considered an appropriate inclusion or modification of the existing bargaining unit under the provisions of chapter 41.80 RCW.

****NEW SECTION. Sec. 18. The joint legislative audit and review committee shall review the performance of innovate Washington as provided in this act and make recommendations to the appropriate policy and fiscal committees of the legislature by December 1, 2015, regarding the effectiveness of innovate Washington programs. The review shall consider each aspect of the innovate Washington balanced scorecard as adopted by the innovate Washington board under section 2(7)(h) of this act and any other measures of performance deemed relevant by the joint legislative audit and review committee.***

*Sec. 18 was vetoed. See message at end of chapter.

NEW SECTION. Sec. 19. RCW 70.210.070 is recodified as a section in chapter 43.— RCW (the new chapter created in section 20 of this act).

NEW SECTION. Sec. 20. Sections 1 through 4, 17, and 18 of this act constitute a new chapter in Title 43 RCW.

NEW SECTION. Sec. 21. This act takes effect August 1, 2011.

Passed by the Senate May 23, 2011.

Passed by the House May 22, 2011.

Approved by the Governor June 7, 2011, with the exception of certain items that were vetoed.

Filed in Office of Secretary of State June 8, 2011.

Note: Governor's explanation of partial veto is as follows:

"I am returning herewith, without my approval as to Section 18, Second Engrossed Senate Bill 5764 entitled:

"AN ACT Relating to innovate Washington."

This bill creates Innovate Washington as the successor agency to the Washington Technology Center and the Spokane Intercollegiate Research and Technology Institute.

Section 1 provides that Innovate Washington will act as the primary agency focused on growing innovation-based sectors of our economy and will work with business to meet technology transfer needs. This section defines the mission of Innovate Washington as making our state the best place to develop, build, and deploy innovative products with collaborative partnerships among academic institutions, industry and government. Among the means Section 1 outlines to carry out this mission is leveraging state investments in sector-focused, innovation-based economic development initiatives. Innovate Washington is designated as the lead entity to coordinate and approve state funding "for programs targeted at expanding the clean energy sector" while maintaining policy and regulatory functions at the state energy office housed at the Department of Commerce.

Given Innovate Washington's mission, the definition of "lead entity" in Section 1(7) to mean "the organization that all other state agencies must coordinate with and receive approval from in order to award state funds in support of clean energy initiatives" is limited to approval of state funding awards for the primary purpose of economic development in the clean energy sector. Approval would not extend to state funding of initiatives not specifically targeted to grow the clean energy sector. Moreover, as stated in a colloquy on the Senate floor and consistent with the terminology clean energy "initiatives," the approval required under Section 1(7) applies to new programs begun after the effective date of the act. The above understanding and interpretation of the bill is shared by the legislature as set forth in a letter to me from Senator Jim Kastama and Representative Deb Eddy dated May 25, 2011 encouraging me to give clarifying direction to the agencies involved. It is with this understanding that I approve Section 1.

I am vetoing Section 18 of Second Engrossed Senate Bill 5764 which requires the joint legislative audit and review committee to review performance of Innovate Washington and to make recommendations regarding the effectiveness of its programs by December 1, 2015. Innovate Washington is required to submit its first five year business plan to the legislature by December 1, 2012, which will identify its activities and programs, and set forth its operational plan and strategy for carrying out its mission. The timing of a study to determine the effectiveness of its programs is best determined based on the schedule in the business plan. When the business plan is completed, the joint legislative audit and review committee can determine the appropriate timing and content of a review based on experience without the need for a statutory provision.

For this reason, I am vetoing Section 18 of Second Engrossed Senate Bill 5764.

With the exception of Section 18, Second Engrossed Senate Bill 5764 is approved."

CHAPTER 15

[Second Engrossed Second Substitute House Bill 1738]

HEALTH CARE PURCHASING—SINGLE STATE AGENCY

AN ACT Relating to changing the designation of the medicaid single state agency from the department of social and health services to the health care authority and transferring the related powers, functions, and duties to the health care authority; amending RCW 74.09.037, 74.09.050, 74.09.055, 74.09.075, 74.09.080, 74.09.120, 74.09.160, 74.09.180, 74.09.185, 74.09.190, 74.09.200, 74.09.210, 74.09.240, 74.09.260, 74.09.280, 74.09.290, 74.09.300, 74.09.470, 74.09.480, 74.09.490, 74.09.500, 74.09.510, 74.09.515, 74.09.520, 74.09.521, 74.09.522, 74.09.5225, 74.09.530, 74.09.540, 74.09.555, 74.09.565, 74.09.575, 74.09.585, 74.09.595, 74.09.655, 74.09.658, 74.09.659,

74.09.700, 74.09.710, 74.09.715, 74.09.720, 74.09.725, 74.09.730, 74.09.770, 74.09.790, 74.09.800, 74.09.810, 74.09.820, 41.05.011, 41.05.015, 41.05.021, 41.05.036, 41.05.037, 41.05.140, 43.20A.365, 74.04.005, 74.04.015, 74.04.025, 74.04.050, 74.04.055, 74.04.060, 74.04.062, 74.04.290, 7.68.080, 43.41.160, 43.41.260, 43.70.670, 47.06B.020, 47.06B.060, 47.06B.070, 48.01.235, 48.43.008, 48.43.517, 69.41.030, 69.41.190, 70.01.010, 70.47.010, 70.47.020, 70.47.110, 70.48.130, 70.168.040, 70.225.040, 74.09A.005, 74.09A.010, 74.09A.020, 74.09A.030, and 74.09.015; reenacting and amending RCW 74.09.010, 74.09.035, and 74.09.522; adding new sections to chapter 74.09 RCW; adding a new section to chapter 43.20A RCW; adding a new chapter to Title 41 RCW; creating new sections; recodifying RCW 43.20A.365; repealing RCW 74.09.085, 74.09.110, 74.09.5221, 74.09.5227, 74.09.755, 43.20A.860, and 74.04.270; providing an effective date; providing an expiration date; and declaring an emergency.

Be it enacted by the Legislature of the State of Washington:

NEW SECTION. Sec. 1. The legislature finds that:

(1) Washington state government must be organized to be efficient, cost-effective, and responsive to its residents;

(2) The cost of state-purchased health care continues to grow at an unsustainable rate, now representing nearly one-third of the state's budget and hindering our ability to invest in other essential services such as education and public safety;

(3) Responsibility for state health care purchasing is currently spread over multiple agencies, but successful interagency collaboration on quality and cost initiatives has helped demonstrate the benefits to the state of centralized health care purchasing;

(4) Consolidating the majority of state health care purchasing into a single state agency will best position the state to work with others, including private sector purchasers, health insurance carriers, health care providers, and consumers to increase the quality and affordability of health care for all state residents;

(5) The development and implementation of uniform state policies for all state-purchased health care is among the purposes for which the health care authority was originally created; and

(6) The state will be best able to take advantage of the opportunities and meet its obligations under the federal affordable care act, including establishment of a health benefit exchange and medicaid expansion, if primary responsibility for doing so rests with a single state agency.

The legislature therefore intends, where appropriate, to consolidate state health care purchasing within the health care authority, positioning the state to use its full purchasing power to get the greatest value for its money, and allowing other agencies to focus even more intently on their core missions.

Sec. 2. RCW 74.09.010 and 2010 1st sp.s. c 8 s 28 are each reenacted and amended to read as follows:

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

(1) "Authority" means the Washington state health care authority.

(2) "Children's health program" means the health care services program provided to children under eighteen years of age and in households with incomes at or below the federal poverty level as annually defined by the federal department of health and human services as adjusted for family size, and who are not otherwise eligible for medical assistance or the limited casualty program for the medically needy.

~~((2))~~ "Committee" means the children's health services committee created in section 3 of this act.)

(3) "County" means the board of county commissioners, county council, county executive, or tribal jurisdiction, or its designee. ~~((A combination of two or more county authorities or tribal jurisdictions may enter into joint agreements to fulfill the requirements of RCW 74.09.415 through 74.09.435.))~~

(4) "Department" means the department of social and health services.

(5) "Department of health" means the Washington state department of health created pursuant to RCW 43.70.020.

(6) "Director" means the director of the Washington state health care authority.

(7) "Full benefit dual eligible beneficiary" means an individual who, for any month: Has coverage for the month under a medicare prescription drug plan or medicare advantage plan with part D coverage; and is determined eligible by the state for full medicaid benefits for the month under any eligibility category in the state's medicaid plan or a section 1115 demonstration waiver that provides pharmacy benefits.

~~((7))~~ (8) "Internal management" means the administration of medical assistance, medical care services, the children's health program, and the limited casualty program.

~~((8))~~ (9) "Limited casualty program" means the medical care program provided to medically needy persons as defined under Title XIX of the federal social security act, and to medically indigent persons who are without income or resources sufficient to secure necessary medical services.

~~((9))~~ (10) "Medical assistance" means the federal aid medical care program provided to categorically needy persons as defined under Title XIX of the federal social security act.

~~((10))~~ (11) "Medical care services" means the limited scope of care financed by state funds and provided to disability lifeline benefits recipients, and recipients of alcohol and drug addiction services provided under chapter 74.50 RCW.

~~((11))~~ (12) "Nursing home" means nursing home as defined in RCW 18.51.010.

~~((12))~~ (13) "Poverty" means the federal poverty level determined annually by the United States department of health and human services, or successor agency.

~~((13))~~ (14) "Secretary" means the secretary of social and health services.

Sec. 3. RCW 74.09.035 and 2010 1st sp.s. c 8 s 29 and 2010 c 94 s 22 are each reenacted and amended to read as follows:

(1) To the extent of available funds, medical care services may be provided to recipients of disability lifeline benefits, persons denied disability lifeline benefits under RCW 74.04.005(5)(b) or 74.04.655 who otherwise meet the requirements of RCW 74.04.005(5)(a), and recipients of alcohol and drug addiction services provided under chapter 74.50 RCW, in accordance with medical eligibility requirements established by the ~~((department))~~ authority. To the extent authorized in the operating budget, upon implementation of a federal medicaid 1115 waiver providing federal matching funds for medical care services, these services also may be provided to persons who have been terminated from disability lifeline benefits under RCW 74.04.005(5)(h).

(2) Determination of the amount, scope, and duration of medical care services shall be limited to coverage as defined by the ~~((department))~~ authority, except that adult dental, and routine foot care shall not be included unless there is a specific appropriation for these services.

(3) The ~~((department))~~ authority shall enter into performance-based contracts with one or more managed health care systems for the provision of medical care services to recipients of disability lifeline benefits. The contract must provide for integrated delivery of medical and mental health services.

(4) The ~~((department))~~ authority shall establish standards of assistance and resource and income exemptions, which may include deductibles and co-insurance provisions. In addition, the ~~((department))~~ authority may include a prohibition against the voluntary assignment of property or cash for the purpose of qualifying for assistance.

(5) Residents of skilled nursing homes, intermediate care facilities, and intermediate care facilities for ~~((the mentally retarded))~~ persons with intellectual disabilities, as that term is described by federal law, who are eligible for medical care services shall be provided medical services to the same extent as provided to those persons eligible under the medical assistance program.

(6) Payments made by the ~~((department))~~ authority under this program shall be the limit of expenditures for medical care services solely from state funds.

(7) Eligibility for medical care services shall commence with the date of certification for disability lifeline benefits or the date of eligibility for alcohol and drug addiction services provided under chapter 74.50 RCW.

Sec. 4. RCW 74.09.037 and 2004 c 115 s 3 are each amended to read as follows:

Any card issued ~~((after December 31, 2005,))~~ by the ~~((department))~~ authority or a managed health care system to a person receiving services under this chapter, that must be presented to providers for purposes of claims processing, may not display an identification number that includes more than a four-digit portion of the person's complete social security number.

Sec. 5. RCW 74.09.050 and 2000 c 5 s 15 are each amended to read as follows:

(1) The ~~((secretary))~~ director shall appoint such professional personnel and other assistants and employees, including professional medical screeners, as may be reasonably necessary to carry out the provisions of this chapter. The medical screeners shall be supervised by one or more physicians who shall be appointed by the ~~((secretary))~~ director or his or her designee. The ~~((secretary))~~ director shall appoint a medical director who is licensed under chapter 18.57 or 18.71 RCW.

(2) Whenever the director's authority is not specifically limited by law, he or she has complete charge and supervisory powers over the authority. The director is authorized to create such administrative structures as deemed appropriate, except as otherwise specified by law. The director has the power to employ such assistants and personnel as may be necessary for the general administration of the authority. Except as elsewhere specified, such employment must be in accordance with the rules of the state civil service law, chapter 41.06 RCW.

Sec. 6. RCW 74.09.055 and 2006 c 24 s 1 are each amended to read as follows:

The ~~((department))~~ authority is authorized to establish copayment, deductible, or coinsurance, or other cost-sharing requirements for recipients of any medical programs defined in RCW 74.09.010, except that premiums shall not be imposed on children in households at or below two hundred percent of the federal poverty level.

Sec. 7. RCW 74.09.075 and 1979 c 141 s 337 are each amended to read as follows:

The department or authority, as appropriate, shall provide ~~((a))~~ (1) for evaluation of employability when a person is applying for public assistance representing a medical condition as a basis for need, and ~~((b))~~ (2) for medical reports to be used in the evaluation of total and permanent disability. It shall further provide for medical consultation and assistance in determining the need for special diets, housekeeper and attendant services, and other requirements as found necessary because of the medical condition under the rules promulgated by the secretary or director.

Sec. 8. RCW 74.09.080 and 1979 c 141 s 338 are each amended to read as follows:

In carrying out the administrative responsibility of this chapter, the department or authority, as appropriate:

(1) May contract with an individual or a group, may utilize existing local state public assistance offices, or establish separate welfare medical care offices on a county or multicounty unit basis as found necessary; and

(2) Shall determine both financial and functional eligibility for persons applying for long-term care services under chapter 74.39 or 74.39A RCW as a unified process in a single long-term care organizational unit.

Sec. 9. RCW 74.09.120 and 2010 c 94 s 23 are each amended to read as follows:

~~((The department shall purchase necessary physician and dentist services by contract or "fee for service."))~~ (1) The department shall purchase nursing home care by contract and payment for the care shall be in accordance with the provisions of chapter 74.46 RCW and rules adopted by the department ~~((under the authority of RCW 74.46.800)).~~ No payment shall be made to a nursing home which does not permit inspection by the authority and the department ~~((of social and health services))~~ of every part of its premises and an examination of all records, including financial records, methods of administration, general and special dietary programs, the disbursement of drugs and methods of supply, and any other records the authority or the department deems relevant to the regulation of nursing home operations, enforcement of standards for resident care, and payment for nursing home services.

(2) The department may purchase nursing home care by contract in veterans' homes operated by the state department of veterans affairs and payment for the care shall be in accordance with the provisions of chapter 74.46 RCW and rules adopted by the department under the authority of RCW 74.46.800.

(3) The department may purchase care in institutions for persons with intellectual disabilities, also known as intermediate care facilities for persons with intellectual disabilities. The department shall establish rules for reasonable accounting and reimbursement systems for such care. Institutions for persons with intellectual disabilities include licensed nursing homes, public institutions,

licensed boarding homes with fifteen beds or less, and hospital facilities certified as intermediate care facilities for persons with intellectual disabilities under the federal medicaid program to provide health, habilitative, or rehabilitative services and twenty-four hour supervision for persons with intellectual disabilities or related conditions and includes in the program "active treatment" as federally defined.

(4) The department may purchase care in institutions for mental diseases by contract. The department shall establish rules for reasonable accounting and reimbursement systems for such care. Institutions for mental diseases are certified under the federal medicaid program and primarily engaged in providing diagnosis, treatment, or care to persons with mental diseases, including medical attention, nursing care, and related services.

(5) Both the department and the authority may each purchase all other services provided under this chapter by contract or at rates established by the department or the authority respectively.

Sec. 10. RCW 74.09.160 and 1991 c 103 s 1 are each amended to read as follows:

Each vendor or group who has a contract and is rendering service to eligible persons as defined in this chapter shall submit such charges as agreed upon between the department or authority, as appropriate, and the individual or group no later than twelve months from the date of service. If the final charges are not presented within the twelve-month period, they shall not be a charge against the state. Said twelve-month period may also be extended by regulation, but only if required by applicable federal law or regulation, and to no more than the extension of time so required. ~~((For services rendered prior to July 28, 1991, final charges shall not be a charge against the state unless they are presented within one hundred twenty days from the date of service.))~~

Sec. 11. RCW 74.09.180 and 1997 c 236 s 1 are each amended to read as follows:

(1) The provisions of this chapter shall not apply to recipients whose personal injuries are occasioned by negligence or wrong of another: PROVIDED, HOWEVER, That the ~~((secretary))~~ director may furnish assistance, under the provisions of this chapter, for the results of injuries to or illness of a recipient, and the ~~((department))~~ authority shall thereby be subrogated to the recipient's rights against the recovery had from any tortfeasor or the tortfeasor's insurer, or both, and shall have a lien thereupon to the extent of the value of the assistance furnished by the ~~((department))~~ authority. To secure reimbursement for assistance provided under this section, the ~~((department))~~ authority may pursue its remedies under ~~((RCW 43.20B.060))~~ section 94 of this act.

(2) The rights and remedies provided to the ~~((department))~~ authority in this section to secure reimbursement for assistance, including the ~~((department's))~~ authority's lien and subrogation rights, may be delegated to a managed health care system by contract entered into pursuant to RCW 74.09.522. A managed health care system may enforce all rights and remedies delegated to it by the ~~((department))~~ authority to secure and recover assistance provided under a managed health care system consistent with its agreement with the ~~((department))~~ authority.

Sec. 12. RCW 74.09.185 and 1995 c 34 s 6 are each amended to read as follows:

To the extent that payment for covered expenses has been made under medical assistance for health care items or services furnished to an individual, in any case where a third party has a legal liability to make payments, the state is considered to have acquired the rights of the individual to payment by any other party for those health care items or services. Recovery pursuant to the subrogation rights, assignment, or enforcement of the lien granted to the ~~((department))~~ authority by this section shall not be reduced, prorated, or applied to only a portion of a judgment, award, or settlement, except as provided in ~~((RCW 43.20B.050 and 43.20B.060))~~ sections 93 and 94 of this act. The doctrine of equitable subrogation shall not apply to defeat, reduce, or prorate recovery by the ~~((department))~~ authority as to its assignment, lien, or subrogation rights.

Sec. 13. RCW 74.09.190 and 1979 c 141 s 342 are each amended to read as follows:

Nothing in this chapter shall be construed as empowering the secretary or director to compel any recipient of public assistance and a medical indigent person to undergo any physical examination, surgical operation, or accept any form of medical treatment contrary to the wishes of said person who relies on or is treated by prayer or spiritual means in accordance with the creed and tenets of any well recognized church or religious denomination.

Sec. 14. RCW 74.09.200 and 1979 ex.s. c 152 s 1 are each amended to read as follows:

The legislature finds and declares it to be in the public interest and for the protection of the health and welfare of the residents of the state of Washington that a proper regulatory and inspection program be instituted in connection with the providing of medical, dental, and other health services to recipients of public assistance and medically indigent persons. In order to effectively accomplish such purpose and to assure that the recipient of such services receives such services as are paid for by the state of Washington, the acceptance by the recipient of such services, and by practitioners of reimbursement for performing such services, shall authorize the secretary ~~((of the department of social and health services))~~ or ~~((his designee))~~ director, to inspect and audit all records in connection with the providing of such services.

Sec. 15. RCW 74.09.210 and 1989 c 175 s 146 are each amended to read as follows:

(1) No person, firm, corporation, partnership, association, agency, institution, or other legal entity, but not including an individual public assistance recipient of health care, shall, on behalf of himself or others, obtain or attempt to obtain benefits or payments under this chapter in a greater amount than that to which entitled by means of:

- (a) A willful false statement;
- (b) By willful misrepresentation, or by concealment of any material facts; or
- (c) By other fraudulent scheme or device, including, but not limited to:
 - (i) Billing for services, drugs, supplies, or equipment that were unfurnished, of lower quality, or a substitution or misrepresentation of items billed; or

(ii) Repeated billing for purportedly covered items, which were not in fact so covered.

(2) Any person or entity knowingly violating any of the provisions of subsection (1) of this section shall be liable for repayment of any excess benefits or payments received, plus interest at the rate and in the manner provided in RCW 43.20B.695. Such person or other entity shall further, in addition to any other penalties provided by law, be subject to civil penalties. The secretary or director, as appropriate, may assess civil penalties in an amount not to exceed three times the amount of such excess benefits or payments: PROVIDED, That these civil penalties shall not apply to any acts or omissions occurring prior to September 1, 1979. RCW 43.20A.215 governs notice of a civil fine and provides the right to an adjudicative proceeding.

(3) A criminal action need not be brought against a person for that person to be civilly liable under this section.

(4) In all proceedings under this section, service, adjudicative proceedings, and judicial review of such determinations shall be in accordance with chapter 34.05 RCW, the administrative procedure act.

(5) Civil penalties shall be deposited in the general fund upon their receipt.

Sec. 16. RCW 74.09.240 and 1995 c 319 s 1 are each amended to read as follows:

(1) Any person, including any corporation, that solicits or receives any remuneration (including any kickback, bribe, or rebate) directly or indirectly, overtly or covertly, in cash or in kind

(a) in return for referring an individual to a person for the furnishing or arranging for the furnishing of any item or service for which payment may be made in whole or in part under this chapter, or

(b) in return for purchasing, leasing, ordering, or arranging for or recommending purchasing, leasing, or ordering any goods, facility, service, or item for which payment may be made in whole or in part under this chapter, shall be guilty of a class C felony; however, the fine, if imposed, shall not be in an amount more than twenty-five thousand dollars, except as authorized by RCW 9A.20.030.

(2) Any person, including any corporation, that offers or pays any remuneration (including any kickback, bribe, or rebate) directly or indirectly, overtly or covertly, in cash or in kind to any person to induce such person

(a) to refer an individual to a person for the furnishing or arranging for the furnishing of any item or service for which payment may be made, in whole or in part, under this chapter, or

(b) to purchase, lease, order, or arrange for or recommend purchasing, leasing, or ordering any goods, facility, service, or item for which payment may be made in whole or in part under this chapter, shall be guilty of a class C felony; however, the fine, if imposed, shall not be in an amount more than twenty-five thousand dollars, except as authorized by RCW 9A.20.030.

(3)(a) Except as provided in 42 U.S.C. 1395 nn, physicians are prohibited from self-referring any client eligible under this chapter for the following designated health services to a facility in which the physician or an immediate family member has a financial relationship:

(i) Clinical laboratory services;

- (ii) Physical therapy services;
- (iii) Occupational therapy services;
- (iv) Radiology including magnetic resonance imaging, computerized axial tomography, and ultrasound services;
- (v) Durable medical equipment and supplies;
- (vi) Parenteral and enteral nutrients equipment and supplies;
- (vii) Prosthetics, orthotics, and prosthetic devices;
- (viii) Home health services;
- (ix) Outpatient prescription drugs;
- (x) Inpatient and outpatient hospital services;
- (xi) Radiation therapy services and supplies.

(b) For purposes of this subsection, "financial relationship" means the relationship between a physician and an entity that includes either:

- (i) An ownership or investment interest; or
- (ii) A compensation arrangement.

For purposes of this subsection, "compensation arrangement" means an arrangement involving remuneration between a physician, or an immediate family member of a physician, and an entity.

(c) The department or authority, as appropriate, is authorized to adopt by rule amendments to 42 U.S.C. 1395 nn enacted after July 23, 1995.

(d) This section shall not apply in any case covered by a general exception specified in 42 U.S.C. Sec. 1395 nn.

(4) Subsections (1) and (2) of this section shall not apply to:

(a) A discount or other reduction in price obtained by a provider of services or other entity under this chapter if the reduction in price is properly disclosed and appropriately reflected in the costs claimed or charges made by the provider or entity under this chapter(,-); and

(b) Any amount paid by an employer to an employee (who has a bona fide employment relationship with such employer) for employment in the provision of covered items or services.

(5) Subsections (1) and (2) of this section, if applicable to the conduct involved, shall supersede the criminal provisions of chapter 19.68 RCW, but shall not preclude administrative proceedings authorized by chapter 19.68 RCW.

Sec. 17. RCW 74.09.260 and 1991 sp.s. c 8 s 7 are each amended to read as follows:

Any person, including any corporation, that knowingly:

(1) Charges, for any service provided to a patient under any medical care plan authorized under this chapter, money or other consideration at a rate in excess of the rates established by the department ~~((of social and health services))~~ or authority, as appropriate; or

(2) Charges, solicits, accepts, or receives, in addition to any amount otherwise required to be paid under such plan, any gift, money, donation, or other consideration (other than a charitable, religious, or philanthropic contribution from an organization or from a person unrelated to the patient):

(a) As a precondition of admitting a patient to a hospital or nursing facility;

or

(b) As a requirement for the patient's continued stay in such facility, when the cost of the services provided therein to the patient is paid for, in whole or in part, under such plan, shall be guilty of a class C felony: PROVIDED, That

the fine, if imposed, shall not be in an amount more than twenty-five thousand dollars, except as authorized by RCW 9A.20.030.

Sec. 18. RCW 74.09.280 and 1979 ex.s. c 152 s 9 are each amended to read as follows:

The secretary (~~(of social and health services)~~) or director may by rule require that any application, statement, or form filled out by suppliers of medical care under this chapter shall contain or be verified by a written statement that it is made under the penalties of perjury and such declaration shall be in lieu of any oath otherwise required, and each such paper shall in such event so state. The making or subscribing of any such papers or forms containing any false or misleading information may be prosecuted and punished under chapter 9A.72 RCW.

Sec. 19. RCW 74.09.290 and 1994 sp.s. c 9 s 749 are each amended to read as follows:

The secretary (~~(of the department of social and health services)~~) or (~~(his authorized representative)~~) director shall have the authority to:

(1) Conduct audits and investigations of providers of medical and other services furnished pursuant to this chapter, except that the Washington state medical quality assurance commission shall generally serve in an advisory capacity to the secretary or director in the conduct of audits or investigations of physicians. Any overpayment discovered as a result of an audit of a provider under this authority shall be offset by any underpayments discovered in that same audit sample. In order to determine the provider's actual, usual, customary, or prevailing charges, the secretary or director may examine such random representative records as necessary to show accounts billed and accounts received except that in the conduct of such examinations, patient names, other than public assistance applicants or recipients, shall not be noted, copied, or otherwise made available to the department or authority. In order to verify costs incurred by the department or authority for treatment of public assistance applicants or recipients, the secretary or director may examine patient records or portions thereof in connection with services to such applicants or recipients rendered by a health care provider, notwithstanding the provisions of RCW 5.60.060, 18.53.200, 18.83.110, or any other statute which may make or purport to make such records privileged or confidential: PROVIDED, That no original patient records shall be removed from the premises of the health care provider, and that the disclosure of any records or information by the department (~~(of social and health services)~~) or the authority is prohibited and shall be punishable as a class C felony according to chapter 9A.20 RCW, unless such disclosure is directly connected to the official purpose for which the records or information were obtained: PROVIDED FURTHER, That the disclosure of patient information as required under this section shall not subject any physician or other health services provider to any liability for breach of any confidential relationship between the provider and the patient, but no evidence resulting from such disclosure may be used in any civil, administrative, or criminal proceeding against the patient unless a waiver of the applicable evidentiary privilege is obtained: PROVIDED FURTHER, That the secretary or director shall destroy all copies of patient medical records in their possession upon completion of the audit, investigation or proceedings;

(2) Approve or deny applications to participate as a provider of services furnished pursuant to this chapter;

(3) Terminate or suspend eligibility to participate as a provider of services furnished pursuant to this chapter; and

(4) Adopt, promulgate, amend, and repeal administrative rules, in accordance with the administrative procedure act, chapter 34.05 RCW, to carry out the policies and purposes of RCW 74.09.200 through 74.09.290.

Sec. 20. RCW 74.09.300 and 1979 ex.s. c 152 s 11 are each amended to read as follows:

Whenever the secretary (~~of the department of social and health services~~) or director imposes a civil penalty under RCW 74.09.210, or terminates or suspends a provider's eligibility under RCW 74.09.290, he or she shall, if the provider is licensed pursuant to Titles 18, 70, or 71 RCW, give written notice of such imposition, termination, or suspension to the appropriate licensing agency or disciplinary board.

Sec. 21. RCW 74.09.470 and 2009 c 463 s 2 are each amended to read as follows:

(1) Consistent with the goals established in RCW 74.09.402, through the apple health for kids program authorized in this section, the (~~department~~) authority shall provide affordable health care coverage to children under the age of nineteen who reside in Washington state and whose family income at the time of enrollment is not greater than two hundred fifty percent of the federal poverty level as adjusted for family size and determined annually by the federal department of health and human services, and effective January 1, 2009, and only to the extent that funds are specifically appropriated therefor, to children whose family income is not greater than three hundred percent of the federal poverty level. In administering the program, the (~~department~~) authority shall take such actions as may be necessary to ensure the receipt of federal financial participation under the medical assistance program, as codified at Title XIX of the federal social security act, the state children's health insurance program, as codified at Title XXI of the federal social security act, and any other federal funding sources that are now available or may become available in the future. The (~~department~~) authority and the caseload forecast council shall estimate the anticipated caseload and costs of the program established in this section.

(2) The (~~department~~) authority shall accept applications for enrollment for children's health care coverage; establish appropriate minimum-enrollment periods, as may be necessary; and determine eligibility based on current family income. The (~~department~~) authority shall make eligibility determinations within the time frames for establishing eligibility for children on medical assistance, as defined by RCW 74.09.510. The application and annual renewal processes shall be designed to minimize administrative barriers for applicants and enrolled clients, and to minimize gaps in eligibility for families who are eligible for coverage. If a change in family income results in a change in the source of funding for coverage, the (~~department~~) authority shall transfer the family members to the appropriate source of funding and notify the family with respect to any change in premium obligation, without a break in eligibility. The (~~department~~) authority shall use the same eligibility redetermination and appeals procedures as those provided for children on medical assistance

programs. The ~~((department))~~ authority shall modify its eligibility renewal procedures to lower the percentage of children failing to annually renew. The ~~((department))~~ authority shall manage its outreach, application, and renewal procedures with the goals of: (a) Achieving year by year improvements in enrollment, enrollment rates, renewals, and renewal rates; (b) maximizing the use of existing program databases to obtain information related to earned and unearned income for purposes of eligibility determination and renewals, including, but not limited to, the basic food program, the child care subsidy program, federal social security administration programs, and the employment security department wage database; (c) streamlining renewal processes to rely primarily upon data matches, online submissions, and telephone interviews; and (d) implementing any other eligibility determination and renewal processes to allow the state to receive an enhanced federal matching rate and additional federal outreach funding available through the federal children's health insurance program reauthorization act of 2009 by January 2010. The department shall advise the governor and the legislature regarding the status of these efforts by September 30, 2009. The information provided should include the status of the department's efforts, the anticipated impact of those efforts on enrollment, and the costs associated with that enrollment.

(3) To ensure continuity of care and ease of understanding for families and health care providers, and to maximize the efficiency of the program, the amount, scope, and duration of health care services provided to children under this section shall be the same as that provided to children under medical assistance, as defined in RCW 74.09.520.

(4) The primary mechanism for purchasing health care coverage under this section shall be through contracts with managed health care systems as defined in RCW 74.09.522, subject to conditions, limitations, and appropriations provided in the biennial appropriations act. However, the ~~((department))~~ authority shall make every effort within available resources to purchase health care coverage for uninsured children whose families have access to dependent coverage through an employer-sponsored health plan or another source when it is cost-effective for the state to do so, and the purchase is consistent with requirements of Title XIX and Title XXI of the federal social security act. To the extent allowable under federal law, the ~~((department))~~ authority shall require families to enroll in available employer-sponsored coverage, as a condition of participating in the program established under this section, when it is cost-effective for the state to do so. Families who enroll in available employer-sponsored coverage under this section shall be accounted for separately in the annual report required by RCW 74.09.053.

(5)(a) To reflect appropriate parental responsibility, the ~~((department))~~ authority shall develop and implement a schedule of premiums for children's health care coverage due to the ~~((department))~~ authority from families with income greater than two hundred percent of the federal poverty level. For families with income greater than two hundred fifty percent of the federal poverty level, the premiums shall be established in consultation with the senate majority and minority leaders and the speaker and minority leader of the house of representatives. Premiums shall be set at a reasonable level that does not pose a barrier to enrollment. The amount of the premium shall be based upon family income and shall not exceed the premium limitations in Title XXI of the federal

social security act. Premiums shall not be imposed on children in households at or below two hundred percent of the federal poverty level as articulated in RCW 74.09.055.

(b) Beginning no later than January 1, 2010, the ~~((department))~~ authority shall offer families whose income is greater than three hundred percent of the federal poverty level the opportunity to purchase health care coverage for their children through the programs administered under this section without an explicit premium subsidy from the state. The design of the health benefit package offered to these children should provide a benefit package substantially similar to that offered in the apple health for kids program, and may differ with respect to cost-sharing, and other appropriate elements from that provided to children under subsection (3) of this section including, but not limited to, application of preexisting conditions, waiting periods, and other design changes needed to offer affordable coverage. The amount paid by the family shall be in an amount equal to the rate paid by the state to the managed health care system for coverage of the child, including any associated and administrative costs to the state of providing coverage for the child. Any pooling of the program enrollees that results in state fiscal impact must be identified and brought to the legislature for consideration.

(6) The ~~((department))~~ authority shall undertake and continue a proactive, targeted outreach and education effort with the goal of enrolling children in health coverage and improving the health literacy of youth and parents. The ~~((department))~~ authority shall collaborate with the department of social and health services, department of health, local public health jurisdictions, the office of the superintendent of public instruction, the department of early learning, health educators, health care providers, health carriers, community-based organizations, and parents in the design and development of this effort. The outreach and education effort shall include the following components:

(a) Broad dissemination of information about the availability of coverage, including media campaigns;

(b) Assistance with completing applications, and community-based outreach efforts to help people apply for coverage. Community-based outreach efforts should be targeted to the populations least likely to be covered;

(c) Use of existing systems, such as enrollment information from the free and reduced-price lunch program, the department of early learning child care subsidy program, the department of health's women, infants, and children program, and the early childhood education and assistance program, to identify children who may be eligible but not enrolled in coverage;

(d) Contracting with community-based organizations and government entities to support community-based outreach efforts to help families apply for coverage. These efforts should be targeted to the populations least likely to be covered. The ~~((department))~~ authority shall provide informational materials for use by government entities and community-based organizations in their outreach activities, and should identify any available federal matching funds to support these efforts;

(e) Development and dissemination of materials to engage and inform parents and families statewide on issues such as: The benefits of health insurance coverage; the appropriate use of health services, including primary care provided by health care practitioners licensed under chapters 18.71, 18.57,

18.36A, and 18.79 RCW, and emergency services; the value of a medical home, well-child services and immunization, and other preventive health services with linkages to department of health child profile efforts; identifying and managing chronic conditions such as asthma and diabetes; and the value of good nutrition and physical activity;

(f) An evaluation of the outreach and education efforts, based upon clear, cost-effective outcome measures that are included in contracts with entities that undertake components of the outreach and education effort;

(g) An implementation plan to develop online application capability that is integrated with the ~~((department's))~~ automated client eligibility system, and to develop data linkages with the office of the superintendent of public instruction for free and reduced-price lunch enrollment information and the department of early learning for child care subsidy program enrollment information.

(7) The ~~((department))~~ authority shall take action to increase the number of primary care physicians providing dental disease preventive services including oral health screenings, risk assessment, family education, the application of fluoride varnish, and referral to a dentist as needed.

(8) The department shall monitor the rates of substitution between private-sector health care coverage and the coverage provided under this section ~~((and shall report to appropriate committees of the legislature by December 2010))~~.

Sec. 22. RCW 74.09.480 and 2009 c 463 s 4 are each amended to read as follows:

(1) The ~~((department))~~ authority, in collaboration with the department of health, department of social and health services, health carriers, local public health jurisdictions, children's health care providers including pediatricians, family practitioners, and pediatric subspecialists, community and migrant health centers, parents, and other purchasers, shall establish a concise set of explicit performance measures that can indicate whether children enrolled in the program are receiving health care through an established and effective medical home, and whether the overall health of enrolled children is improving. Such indicators may include, but are not limited to:

(a) Childhood immunization rates;

(b) Well child care utilization rates, including the use of behavioral and oral health screening, and validated, structured developmental screens using tools, that are consistent with nationally accepted pediatric guidelines and recommended administration schedule, once funding is specifically appropriated for this purpose;

(c) Care management for children with chronic illnesses;

(d) Emergency room utilization;

(e) Visual acuity and eye health;

(f) Preventive oral health service utilization; and

(g) Children's mental health status. In defining these measures the ~~((department))~~ authority shall be guided by the measures provided in RCW 71.36.025.

Performance measures and targets for each performance measure must be established and monitored each biennium, with a goal of achieving measurable, improved health outcomes for the children of Washington state each biennium.

(2) Beginning in calendar year 2009, targeted provider rate increases shall be linked to quality improvement measures established under this section. The ~~((department))~~ authority, in conjunction with those groups identified in subsection (1) of this section, shall develop parameters for determining criteria for increased payment, alternative payment methodologies, or other incentives for those practices and health plans that incorporate evidence-based practice and improve and achieve sustained improvement with respect to the measures.

(3) The department shall provide a report to the governor and the legislature related to provider performance on these measures, beginning in September 2010 for 2007 through 2009 and the authority shall provide the report biennially thereafter. ~~((The department shall advise the legislature as to its progress towards developing this biennial reporting system by September 30, 2009.))~~

Sec. 23. RCW 74.09.490 and 2007 c 359 s 5 are each amended to read as follows:

(1)~~((a))~~ The ~~((department))~~ authority, in consultation with the evidence-based practice institute established in RCW 71.24.061, shall develop and implement policies to improve prescribing practices for treatment of emotional or behavioral disturbances in children, improve the quality of children's mental health therapy through increased use of evidence-based and research-based practices and reduced variation in practice, improve communication and care coordination between primary care and mental health providers, and prioritize care in the family home or care which integrates the family where out-of-home placement is required.

~~((b))~~ (2) The ~~((department))~~ authority shall identify those children with emotional or behavioral disturbances who may be at high risk due to off-label use of prescription medication, use of multiple medications, high medication dosage, or lack of coordination among multiple prescribing providers, and establish one or more mechanisms to evaluate the appropriateness of the medication these children are using, including but not limited to obtaining second opinions from experts in child psychiatry.

~~((c))~~ (3) The ~~((department))~~ authority shall review the psychotropic medications of all children under five and establish one or more mechanisms to evaluate the appropriateness of the medication these children are using, including but not limited to obtaining second opinions from experts in child psychiatry.

~~((d))~~ (4) The ~~((department))~~ authority shall track prescriptive practices with respect to psychotropic medications with the goal of reducing the use of medication.

~~((e))~~ (5) The ~~((department))~~ authority shall encourage the use of cognitive behavioral therapies and other treatments which are empirically supported or evidence-based, in addition to or in the place of prescription medication where appropriate.

~~((2) The department shall convene a representative group of regional support networks, community mental health centers, and managed health care systems contracting with the department under RCW 74.09.522 to:~~

~~(a) Establish mechanisms and develop contract language that ensures increased coordination of and access to medicaid mental health benefits available to children and their families, including ensuring access to services that~~

~~are identified as a result of a developmental screen administered through early periodic screening, diagnosis, and treatment;~~

~~(b) Define managed health care system and regional support network contractual performance standards that track access to and utilization of services; and~~

~~(c) Set standards for reducing the number of children that are prescribed antipsychotic drugs and receive no outpatient mental health services with their medication.~~

~~(3) The department shall submit a report on progress and any findings under this section to the legislature by January 1, 2009.)~~

Sec. 24. RCW 74.09.500 and 1979 c 141 s 343 are each amended to read as follows:

There is hereby established a new program of federal-aid assistance to be known as medical assistance to be administered by the ~~((state department of social and health services))~~ authority. The ~~((department of social and health services))~~ authority is authorized to comply with the federal requirements for the medical assistance program provided in the social security act and particularly Title XIX of Public Law (89-97), as amended, in order to secure federal matching funds for such program.

Sec. 25. RCW 74.09.510 and 2010 c 94 s 24 are each amended to read as follows:

Medical assistance may be provided in accordance with eligibility requirements established by the ~~((department))~~ authority, as defined in the social security Title XIX state plan for mandatory categorically needy persons and:

(1) Individuals who would be eligible for cash assistance except for their institutional status;

(2) Individuals who are under twenty-one years of age, who would be eligible for medicaid, but do not qualify as dependent children and who are in (a) foster care, (b) subsidized adoption, (c) a nursing facility or an intermediate care facility for persons with intellectual disabilities, or (d) inpatient psychiatric facilities;

(3) Individuals who:

(a) Are under twenty-one years of age;

(b) On or after July 22, 2007, were in foster care under the legal responsibility of the department or a federally recognized tribe located within the state; and

(c) On their eighteenth birthday, were in foster care under the legal responsibility of the department or a federally recognized tribe located within the state;

(4) Persons who are aged, blind, or disabled who: (a) Receive only a state supplement, or (b) would not be eligible for cash assistance if they were not institutionalized;

(5) Categorically eligible individuals who meet the income and resource requirements of the cash assistance programs;

(6) Individuals who are enrolled in managed health care systems, who have otherwise lost eligibility for medical assistance, but who have not completed a current six-month enrollment in a managed health care system, and who are

eligible for federal financial participation under Title XIX of the social security act;

(7) Children and pregnant women allowed by federal statute for whom funding is appropriated;

(8) Working individuals with disabilities authorized under section 1902(a)(10)(A)(ii) of the social security act for whom funding is appropriated;

(9) Other individuals eligible for medical services under RCW 74.09.035 and 74.09.700 for whom federal financial participation is available under Title XIX of the social security act;

(10) Persons allowed by section 1931 of the social security act for whom funding is appropriated; and

(11) Women who: (a) Are under sixty-five years of age; (b) have been screened for breast and cervical cancer under the national breast and cervical cancer early detection program administered by the department of health or tribal entity and have been identified as needing treatment for breast or cervical cancer; and (c) are not otherwise covered by health insurance. Medical assistance provided under this subsection is limited to the period during which the woman requires treatment for breast or cervical cancer, and is subject to any conditions or limitations specified in the omnibus appropriations act.

Sec. 26. RCW 74.09.515 and 2007 c 359 s 8 are each amended to read as follows:

(1) The ~~((department))~~ authority shall adopt rules and policies providing that when youth who were enrolled in a medical assistance program immediately prior to confinement are released from confinement, their medical assistance coverage will be fully reinstated on the day of their release, subject to any expedited review of their continued eligibility for medical assistance coverage that is required under federal or state law.

(2) The ~~((department))~~ authority, in collaboration with the department, county juvenile court administrators, and regional support networks, shall establish procedures for coordination between department field offices, juvenile rehabilitation administration institutions, and county juvenile courts that result in prompt reinstatement of eligibility and speedy eligibility determinations for youth who are likely to be eligible for medical assistance services upon release from confinement. Procedures developed under this subsection must address:

(a) Mechanisms for receiving medical assistance services' applications on behalf of confined youth in anticipation of their release from confinement;

(b) Expedient review of applications filed by or on behalf of confined youth and, to the extent practicable, completion of the review before the youth is released; and

(c) Mechanisms for providing medical assistance services' identity cards to youth eligible for medical assistance services immediately upon their release from confinement.

(3) For purposes of this section, "confined" or "confinement" means detained in a facility operated by or under contract with the department of social and health services, juvenile rehabilitation administration, or detained in a juvenile detention facility operated under chapter 13.04 RCW.

(4) The ~~((department))~~ authority shall adopt standardized statewide screening and application practices and forms designed to facilitate the

application of a confined youth who is likely to be eligible for a medical assistance program.

Sec. 27. RCW 74.09.520 and 2007 c 3 s 1 are each amended to read as follows:

(1) The term "medical assistance" may include the following care and services subject to rules adopted by the authority or department: (a) Inpatient hospital services; (b) outpatient hospital services; (c) other laboratory and X-ray services; (d) nursing facility services; (e) physicians' services, which shall include prescribed medication and instruction on birth control devices; (f) medical care, or any other type of remedial care as may be established by the secretary or director; (g) home health care services; (h) private duty nursing services; (i) dental services; (j) physical and occupational therapy and related services; (k) prescribed drugs, dentures, and prosthetic devices; and eyeglasses prescribed by a physician skilled in diseases of the eye or by an optometrist, whichever the individual may select; (l) personal care services, as provided in this section; (m) hospice services; (n) other diagnostic, screening, preventive, and rehabilitative services; and (o) like services when furnished to a child by a school district in a manner consistent with the requirements of this chapter. For the purposes of this section, neither the authority nor the department may ~~((not))~~ cut off any prescription medications, oxygen supplies, respiratory services, or other life-sustaining medical services or supplies.

"Medical assistance," notwithstanding any other provision of law, shall not include routine foot care, or dental services delivered by any health care provider, that are not mandated by Title XIX of the social security act unless there is a specific appropriation for these services.

~~(2) ((The department shall amend the state plan for medical assistance under Title XIX of the federal social security act to include personal care services, as defined in 42 C.F.R. 440.170(f), in the categorically needy program.~~

~~(3))~~ The department shall adopt, amend, or rescind such administrative rules as are necessary to ensure that Title XIX personal care services are provided to eligible persons in conformance with federal regulations.

(a) These administrative rules shall include financial eligibility indexed according to the requirements of the social security act providing for medicaid eligibility.

(b) The rules shall require clients be assessed as having a medical condition requiring assistance with personal care tasks. Plans of care for clients requiring health-related consultation for assessment and service planning may be reviewed by a nurse.

(c) The department shall determine by rule which clients have a health-related assessment or service planning need requiring registered nurse consultation or review. This definition may include clients that meet indicators or protocols for review, consultation, or visit.

~~((4))~~ (3) The department shall design and implement a means to assess the level of functional disability of persons eligible for personal care services under this section. The personal care services benefit shall be provided to the extent funding is available according to the assessed level of functional disability. Any reductions in services made necessary for funding reasons should be accomplished in a manner that assures that priority for maintaining services is

given to persons with the greatest need as determined by the assessment of functional disability.

~~((5))~~ (4) Effective July 1, 1989, the ~~((department))~~ authority shall offer hospice services in accordance with available funds.

~~((6))~~ (5) For Title XIX personal care services administered by aging and disability services administration of the department, the department shall contract with area agencies on aging:

(a) To provide case management services to individuals receiving Title XIX personal care services in their own home; and

(b) To reassess and reauthorize Title XIX personal care services or other home and community services as defined in RCW 74.39A.009 in home or in other settings for individuals consistent with the intent of this section:

(i) Who have been initially authorized by the department to receive Title XIX personal care services or other home and community services as defined in RCW 74.39A.009; and

(ii) Who, at the time of reassessment and reauthorization, are receiving such services in their own home.

~~((7))~~ (6) In the event that an area agency on aging is unwilling to enter into or satisfactorily fulfill a contract or an individual consumer's need for case management services will be met through an alternative delivery system, the department is authorized to:

(a) Obtain the services through competitive bid; and

(b) Provide the services directly until a qualified contractor can be found.

~~((8))~~ (7) Subject to the availability of amounts appropriated for this specific purpose, ~~((effective July 1, 2007,))~~ the ~~((department))~~ authority may offer medicare part D prescription drug copayment coverage to full benefit dual eligible beneficiaries.

Sec. 28. RCW 74.09.521 and 2009 c 388 s 1 are each amended to read as follows:

(1) To the extent that funds are specifically appropriated for this purpose the ~~((department))~~ authority shall revise its medicaid healthy options managed care and fee-for-service program standards under medicaid, Title XIX of the federal social security act to improve access to mental health services for children who do not meet the regional support network access to care standards. ~~((Effective July 1, 2008, the))~~ The program standards shall be revised to allow outpatient therapy services to be provided by licensed mental health professionals, as defined in RCW 71.34.020, or by a mental health professional regulated under Title 18 RCW who is under the direct supervision of a licensed mental health professional, and up to twenty outpatient therapy hours per calendar year, including family therapy visits integral to a child's treatment. This section shall be administered in a manner consistent with federal early and periodic screening, diagnosis, and treatment requirements related to the receipt of medically necessary services when a child's need for such services is identified through developmental screening.

(2) The ~~((department))~~ authority and the children's mental health evidence-based practice institute established in RCW 71.24.061 shall collaborate to encourage and develop incentives for the use of prescribing practices and evidence-based and research-based treatment practices developed under RCW 74.09.490 by mental health professionals serving children under this section.

Sec. 29. RCW 74.09.522 and 1997 c 59 s 15 and 1997 c 34 s 1 are each reenacted and amended to read as follows:

(1) For the purposes of this section, "managed health care system" means any health care organization, including health care providers, insurers, health care service contractors, health maintenance organizations, health insuring organizations, or any combination thereof, that provides directly or by contract health care services covered under RCW 74.09.520 and rendered by licensed providers, on a prepaid capitated basis and that meets the requirements of section 1903(m)(1)(A) of Title XIX of the federal social security act or federal demonstration waivers granted under section 1115(a) of Title XI of the federal social security act.

(2) The ~~((department of social and health services))~~ authority shall enter into agreements with managed health care systems to provide health care services to recipients of temporary assistance for needy families under the following conditions:

(a) Agreements shall be made for at least thirty thousand recipients statewide;

(b) Agreements in at least one county shall include enrollment of all recipients of temporary assistance for needy families;

(c) To the extent that this provision is consistent with section 1903(m) of Title XIX of the federal social security act or federal demonstration waivers granted under section 1115(a) of Title XI of the federal social security act, recipients shall have a choice of systems in which to enroll and shall have the right to terminate their enrollment in a system: PROVIDED, That the ~~((department))~~ authority may limit recipient termination of enrollment without cause to the first month of a period of enrollment, which period shall not exceed twelve months: AND PROVIDED FURTHER, That the ~~((department))~~ authority shall not restrict a recipient's right to terminate enrollment in a system for good cause as established by the ~~((department))~~ authority by rule;

(d) To the extent that this provision is consistent with section 1903(m) of Title XIX of the federal social security act, participating managed health care systems shall not enroll a disproportionate number of medical assistance recipients within the total numbers of persons served by the managed health care systems, except as authorized by the ~~((department))~~ authority under federal demonstration waivers granted under section 1115(a) of Title XI of the federal social security act;

(e) In negotiating with managed health care systems the ~~((department))~~ authority shall adopt a uniform procedure to negotiate and enter into contractual arrangements, including standards regarding the quality of services to be provided; and financial integrity of the responding system;

(f) The ~~((department))~~ authority shall seek waivers from federal requirements as necessary to implement this chapter;

(g) The ~~((department))~~ authority shall, wherever possible, enter into prepaid capitation contracts that include inpatient care. However, if this is not possible or feasible, the ~~((department))~~ authority may enter into prepaid capitation contracts that do not include inpatient care;

(h) The ~~((department))~~ authority shall define those circumstances under which a managed health care system is responsible for out-of-plan services and assure that recipients shall not be charged for such services; and

(i) Nothing in this section prevents the ((department)) authority from entering into similar agreements for other groups of people eligible to receive services under this chapter.

(3) The ((department)) authority shall ensure that publicly supported community health centers and providers in rural areas, who show serious intent and apparent capability to participate as managed health care systems are seriously considered as contractors. The ((department)) authority shall coordinate its managed care activities with activities under chapter 70.47 RCW.

(4) The ((department)) authority shall work jointly with the state of Oregon and other states in this geographical region in order to develop recommendations to be presented to the appropriate federal agencies and the United States congress for improving health care of the poor, while controlling related costs.

(5) The legislature finds that competition in the managed health care marketplace is enhanced, in the long term, by the existence of a large number of managed health care system options for medicaid clients. In a managed care delivery system, whose goal is to focus on prevention, primary care, and improved enrollee health status, continuity in care relationships is of substantial importance, and disruption to clients and health care providers should be minimized. To help ensure these goals are met, the following principles shall guide the ((department)) authority in its healthy options managed health care purchasing efforts:

(a) All managed health care systems should have an opportunity to contract with the ((department)) authority to the extent that minimum contracting requirements defined by the ((department)) authority are met, at payment rates that enable the ((department)) authority to operate as far below appropriated spending levels as possible, consistent with the principles established in this section.

(b) Managed health care systems should compete for the award of contracts and assignment of medicaid beneficiaries who do not voluntarily select a contracting system, based upon:

(i) Demonstrated commitment to or experience in serving low-income populations;

(ii) Quality of services provided to enrollees;

(iii) Accessibility, including appropriate utilization, of services offered to enrollees;

(iv) Demonstrated capability to perform contracted services, including ability to supply an adequate provider network;

(v) Payment rates; and

(vi) The ability to meet other specifically defined contract requirements established by the ((department)) authority, including consideration of past and current performance and participation in other state or federal health programs as a contractor.

(c) Consideration should be given to using multiple year contracting periods.

(d) Quality, accessibility, and demonstrated commitment to serving low-income populations shall be given significant weight in the contracting, evaluation, and assignment process.

(e) All contractors that are regulated health carriers must meet state minimum net worth requirements as defined in applicable state laws. The

~~((department))~~ authority shall adopt rules establishing the minimum net worth requirements for contractors that are not regulated health carriers. This subsection does not limit the authority of the ~~((department))~~ Washington state health care authority to take action under a contract upon finding that a contractor's financial status seriously jeopardizes the contractor's ability to meet its contract obligations.

(f) Procedures for resolution of disputes between the ~~((department))~~ authority and contract bidders or the ~~((department))~~ authority and contracting carriers related to the award of, or failure to award, a managed care contract must be clearly set out in the procurement document. ~~((In designing such procedures, the department shall give strong consideration to the negotiation and dispute resolution processes used by the Washington state health care authority in its managed health care contracting activities.))~~

(6) The ~~((department))~~ authority may apply the principles set forth in subsection (5) of this section to its managed health care purchasing efforts on behalf of clients receiving supplemental security income benefits to the extent appropriate.

Sec. 30. RCW 74.09.5222 and 2009 c 545 s 4 are each amended to read as follows:

(1) The ~~((department))~~ authority shall submit a section 1115 demonstration waiver request to the federal department of health and human services to expand and revise the medical assistance program as codified in Title XIX of the federal social security act. The waiver request should be designed to ensure the broadest federal financial participation under Title XIX and XXI of the federal social security act. To the extent permitted under federal law, the waiver request should include the following components:

(a) Establishment of a single eligibility standard for low-income persons, including expansion of categorical eligibility to include childless adults. The ~~((department))~~ authority shall request that the single eligibility standard be phased in such that incremental steps are taken to cover additional low-income parents and individuals over time, with the goal of offering coverage to persons with household income at or below two hundred percent of the federal poverty level;

(b) Establishment of a single seamless application and eligibility determination system for all state low-income medical programs included in the waiver. Applications may be electronic and may include an electronic signature for verification and authentication. Eligibility determinations should maximize federal financing where possible;

(c) The delivery of all low-income coverage programs as a single program, with a common core benefit package that may be similar to the basic health benefit package or an alternative benefit package approved by the secretary of the federal department of health and human services, including the option of supplemental coverage for select categorical groups, such as children, and individuals who are aged, blind, and disabled;

(d) A program design to include creative and innovative approaches such as: Coverage for preventive services with incentives to use appropriate preventive care; enhanced medical home reimbursement and bundled payment methodologies; cost-sharing options; use of care management and care coordination programs to improve coordination of medical and behavioral health

services; application of an innovative predictive risk model to better target care management services; and mandatory enrollment in managed care, as may be necessary;

(e) The ability to impose enrollment limits or benefit design changes for eligibility groups that were not eligible under the Title XIX state plan in effect on the date of submission of the waiver application;

(f) A premium assistance program whereby employers can participate in coverage options for employees and dependents of employees otherwise eligible under the waiver. The waiver should make every effort to maximize enrollment in employer-sponsored health insurance when it is cost-effective for the state to do so, and the purchase is consistent with the requirements of Titles XIX and XXI of the federal social security act. To the extent allowable under federal law, the ~~((department))~~ authority shall require enrollment in available employer-sponsored coverage as a condition of eligibility for coverage under the waiver; and

(g) The ability to share savings that might accrue to the federal medicare program, Title XVIII of the federal social security act, from improved care management for persons who are eligible for both medicare and medicaid. Through the waiver application process, the ~~((department))~~ authority shall determine whether the state could serve, directly or by contract, as a medicare special needs plan for persons eligible for both medicare and medicaid.

(2) The ~~((department))~~ authority shall hold ongoing stakeholder discussions as it is developing the waiver request, and provide opportunities for public review and comment as the request is being developed.

(3) The ~~((department and the health care))~~ authority shall identify statutory changes that may be necessary to ensure successful and timely implementation of the waiver request as submitted to the federal department of health and human services as the apple health program for adults.

(4) The legislature must authorize implementation of any waiver approved by the federal department of health and human services under this section.

Sec. 31. RCW 74.09.5225 and 2005 c 383 s 1 are each amended to read as follows:

(1) Payments for recipients eligible for medical assistance programs under this chapter for services provided by hospitals, regardless of the beneficiary's managed care enrollment status, shall be made based on allowable costs incurred during the year, when services are provided by a rural hospital certified by the centers for medicare and medicaid services as a critical access hospital. Any additional payments made by the ~~((medical assistance administration))~~ authority for the healthy options program shall be no more than the additional amounts per service paid under this section for other medical assistance programs.

(2) Beginning on July 24, 2005, a moratorium shall be placed on additional hospital participation in critical access hospital payments under this section. However, rural hospitals that applied for certification to the centers for medicare and medicaid services prior to January 1, 2005, but have not yet completed the process or have not yet been approved for certification, remain eligible for medical assistance payments under this section.

Sec. 32. RCW 74.09.530 and 2007 c 315 s 2 are each amended to read as follows:

(1)(a) The authority is designated as the single state agency for purposes of Title XIX of the federal social security act.

(b) The amount and nature of medical assistance and the determination of eligibility of recipients for medical assistance shall be the responsibility of the ((department of social and health services)) authority.

(c) The ((department)) authority shall establish reasonable standards of assistance and resource and income exemptions which shall be consistent with the provisions of the social security act and ((with the)) federal regulations ((of the secretary of health, education and welfare)) for determining eligibility of individuals for medical assistance and the extent of such assistance to the extent that funds are available from the state and federal government. The ((department)) authority shall not consider resources in determining continuing eligibility for recipients eligible under section 1931 of the social security act.

(d) The authority is authorized to collaborate with other state or local agencies and nonprofit organizations in carrying out its duties under this chapter and, to the extent appropriate, may enter into agreements with such other entities.

(2) Individuals eligible for medical assistance under RCW 74.09.510(3) shall be transitioned into coverage under that subsection immediately upon their termination from coverage under RCW 74.09.510(2)(a). The ((department)) authority shall use income eligibility standards and eligibility determinations applicable to children placed in foster care. The ((department, in consultation with the health care)) authority((s)) shall provide information regarding basic health plan enrollment and shall offer assistance with the application and enrollment process to individuals covered under RCW 74.09.510(3) who are approaching their twenty-first birthday.

Sec. 33. RCW 74.09.540 and 2001 2nd sp.s. c 15 s 2 are each amended to read as follows:

(1) It is the intent of the legislature to remove barriers to employment for individuals with disabilities by providing medical assistance to ((the)) working ((disabled)) individuals with disabilities through a buy-in program in accordance with section 1902(a)(10)(A)(ii) of the social security act and eligibility and cost-sharing requirements established by the ((department)) authority.

(2) The ((department)) authority shall establish income, resource, and cost-sharing requirements for the buy-in program in accordance with federal law and any conditions or limitations specified in the omnibus appropriations act. The ((department)) authority shall establish and modify eligibility and cost-sharing requirements in order to administer the program within available funds. The ((department)) authority shall make every effort to coordinate benefits with employer-sponsored coverage available to the working ((disabled)) individuals with disabilities receiving benefits under this chapter.

Sec. 34. RCW 74.09.555 and 2010 1st sp.s. c 8 s 30 are each amended to read as follows:

(1) The ((department)) authority shall adopt rules and policies providing that when persons with a mental disorder, who were enrolled in medical assistance immediately prior to confinement, are released from confinement, their medical assistance coverage will be fully reinstated on the day of their

release, subject to any expedited review of their continued eligibility for medical assistance coverage that is required under federal or state law.

(2) The ~~((department))~~ authority, in collaboration with the Washington association of sheriffs and police chiefs, the department of corrections, and the regional support networks, shall establish procedures for coordination between the authority and department field offices, institutions for mental disease, and correctional institutions, as defined in RCW 9.94.049, that result in prompt reinstatement of eligibility and speedy eligibility determinations for persons who are likely to be eligible for medical assistance services upon release from confinement. Procedures developed under this subsection must address:

(a) Mechanisms for receiving medical assistance services applications on behalf of confined persons in anticipation of their release from confinement;

(b) Expedient review of applications filed by or on behalf of confined persons and, to the extent practicable, completion of the review before the person is released;

(c) Mechanisms for providing medical assistance services identity cards to persons eligible for medical assistance services immediately upon their release from confinement; and

(d) Coordination with the federal social security administration, through interagency agreements or otherwise, to expedite processing of applications for federal supplemental security income or social security disability benefits, including federal acceptance of applications on behalf of confined persons.

(3) Where medical or psychiatric examinations during a person's confinement indicate that the person is disabled, the correctional institution or institution for mental diseases shall provide the ~~((department))~~ authority with that information for purposes of making medical assistance eligibility and enrollment determinations prior to the person's release from confinement. The ~~((department))~~ authority shall, to the maximum extent permitted by federal law, use the examination in making its determination whether the person is disabled and eligible for medical assistance.

(4) For purposes of this section, "confined" or "confinement" means incarcerated in a correctional institution, as defined in RCW 9.94.049, or admitted to an institute for mental disease, as defined in 42 C.F.R. part 435, Sec. 1009 on July 24, 2005.

(5) For purposes of this section, "likely to be eligible" means that a person:

(a) Was enrolled in medicaid or supplemental security income or the disability lifeline program immediately before he or she was confined and his or her enrollment was terminated during his or her confinement; or

(b) Was enrolled in medicaid or supplemental security income or the disability lifeline program at any time during the five years before his or her confinement, and medical or psychiatric examinations during the person's confinement indicate that the person continues to be disabled and the disability is likely to last at least twelve months following release.

(6) The economic services administration within the department shall adopt standardized statewide screening and application practices and forms designed to facilitate the application of a confined person who is likely to be eligible for medicaid.

Sec. 35. RCW 74.09.565 and 1989 c 87 s 4 are each amended to read as follows:

(1) An agreement between spouses transferring or assigning rights to future income from one spouse to the other shall be invalid for purposes of determining eligibility for medical assistance or the limited casualty program for the medically needy, but this subsection does not affect agreements between spouses transferring or assigning resources, and income produced by transferred or assigned resources shall continue to be recognized as the separate income of the transferee.

(2) In determining eligibility for medical assistance or the limited casualty program for the medically needy for a married person in need of institutional care, or care under home and community-based waivers as defined in Title XIX of the social security act, if the community income received in the name of the nonapplicant spouse exceeds the community income received in the name of the applicant spouse, the applicant's interest in that excess shall be considered unavailable to the applicant.

(3) The department or authority, as appropriate, shall adopt rules consistent with the provisions of section 1924 of the social security act entitled "Treatment of Income and Resources for Certain Institutionalized Spouses," in determining the allocation of income between an institutionalized and community spouse.

(4) The department or authority, as appropriate, shall establish the monthly maintenance needs allowance for the community spouse up to the maximum amount allowed by state appropriation or within available funds and permitted in section 1924 of the social security act. The total monthly needs allowance shall not exceed one thousand five hundred dollars, subject to adjustment provided in section 1924 of the social security act.

Sec. 36. RCW 74.09.575 and 2003 1st sp.s. c 28 s 1 are each amended to read as follows:

(1) The department or authority, as appropriate, shall promulgate rules consistent with the treatment of resources provisions of section 1924 of the social security act (~~entitled "Treatment of Income and Resources for Certain Institutionalized Spouses,")~~) in determining the allocation of resources between the institutionalized and community spouse.

(2) In the interest of supporting the community spouse the department or authority, as appropriate, shall allow the maximum resource allowance amount permissible under the social security act for the community spouse for persons institutionalized before August 1, 2003.

(3) For persons institutionalized on or after August 1, 2003, the department or authority, as appropriate, in the interest of supporting the community spouse, shall allow up to a maximum of forty thousand dollars in resources for the community spouse. For the fiscal biennium beginning July 1, 2005, and each fiscal biennium thereafter, the maximum resource allowance amount for the community spouse shall be adjusted for economic trends and conditions by increasing the amount allowable by the consumer price index as published by the federal bureau of labor statistics. However, in no case shall the amount allowable exceed the maximum resource allowance permissible under the social security act.

Sec. 37. RCW 74.09.585 and 1995 1st sp.s. c 18 s 81 are each amended to read as follows:

(1) The department or authority, as appropriate, shall establish standards consistent with section 1917 of the social security act in determining the period of ineligibility for medical assistance due to the transfer of resources.

(2) There shall be no penalty imposed for the transfer of assets that are excluded in a determination of the individual's eligibility for medicaid to the extent such assets are protected by the long-term care insurance policy or contract pursuant to chapter 48.85 RCW.

(3) The department or authority, as appropriate, may waive a period of ineligibility if the department or authority determines that denial of eligibility would work an undue hardship.

Sec. 38. RCW 74.09.595 and 1989 c 87 s 8 are each amended to read as follows:

The department or authority, as appropriate, shall in compliance with section 1924 of the social security act adopt procedures which provide due process for institutionalized or community spouses who request a fair hearing as to the valuation of resources, the amount of the community spouse resource allowance, or the monthly maintenance needs allowance.

Sec. 39. RCW 74.09.655 and 2008 c 245 s 1 are each amended to read as follows:

The ~~((department))~~ authority shall provide coverage under this chapter for smoking cessation counseling services, as well as prescription and nonprescription agents when used to promote smoking cessation, so long as such agents otherwise meet the definition of "covered outpatient drug" in 42 U.S.C. Sec. 1396r-8(k). However, the ~~((department))~~ authority may initiate an individualized inquiry and determine and implement by rule appropriate coverage limitations as may be required to encourage the use of effective, evidence-based services and prescription and nonprescription agents. The ~~((department))~~ authority shall track per-capita expenditures for a cohort of clients that receive smoking cessation benefits, and submit a cost-benefit analysis to the legislature on or before January 1, 2012.

Sec. 40. RCW 74.09.658 and 2009 c 326 s 1 are each amended to read as follows:

(1) The home health program shall require registered nurse oversight and intervention, as appropriate. In-person contact between a home health care registered nurse and a patient is not required under the state's medical assistance program for home health services that are: (a) Delivered with the assistance of telemedicine and (b) otherwise eligible for reimbursement as a medically necessary skilled home health nursing visit under the program.

(2) The department or authority, as appropriate, in consultation with home health care service providers shall develop reimbursement rules and, in rule, define the requirements that must be met for a reimbursable skilled nursing visit when services are rendered without a face-to-face visit and are assisted by telemedicine.

(3)(a) The department or authority, as appropriate, shall establish the reimbursement rate for skilled home health nursing services delivered with the assistance of telemedicine that meet the requirements of a reimbursable visit as defined by the department or authority, as appropriate.

(b) Reimbursement is not provided for purchase or lease of telemedicine equipment.

(4) Any home health agency licensed under chapter 70.127 RCW and eligible for reimbursement under the medical programs authorized under this chapter may be reimbursed for services under this section if the service meets the requirements for a reimbursable skilled nursing visit (~~as defined by the department~~).

(5) Nothing in this section shall be construed to alter the scope of practice of any home health care services provider or authorizes the delivery of home health care services in a setting or manner not otherwise authorized by law.

(6) The use of telemedicine is not intended to replace registered nurse health care (~~visits~~) visits when necessary.

(7) For the purposes of this section, "telemedicine" means the use of telemonitoring to enhance the delivery of certain home health medical services through:

(a) The provision of certain education related to health care services using audio, video, or data communication instead of a face-to-face visit; or

(b) The collection of clinical data and the transmission of such data between a patient at a distant location and the home health provider through electronic processing technologies. Objective clinical data that may be transmitted includes, but is not limited to, weight, blood pressure, pulse, respirations, blood glucose, and pulse oximetry.

Sec. 41. RCW 74.09.659 and 2009 c 545 s 5 are each amended to read as follows:

(1) The (~~department~~) authority shall continue to submit applications for the family planning waiver program.

(2) The (~~department~~) authority shall submit a request to the federal department of health and human services to amend the current family planning waiver program as follows:

(a) Provide coverage for sexually transmitted disease testing and treatment;

(b) Return to the eligibility standards used in 2005 including, but not limited to, citizenship determination based on declaration or matching with federal social security databases, insurance eligibility standards comparable to 2005, and confidential service availability for minors and survivors of domestic and sexual violence; and

(c) Within available funds, increase income eligibility to two hundred fifty percent of the federal poverty level, to correspond with income eligibility for publicly funded maternity care services.

Sec. 42. RCW 74.09.700 and 2010 c 94 s 25 are each amended to read as follows:

(1) To the extent of available funds and subject to any conditions placed on appropriations made for this purpose, medical care may be provided under the limited casualty program to persons not (~~otherwise~~) eligible for medical assistance or medical care services who are medically needy as defined in the social security Title XIX state plan and medical indigents in accordance with eligibility requirements established by the (~~department~~) authority. The eligibility requirements may include minimum levels of incurred medical expenses. This includes residents of nursing facilities, residents of intermediate

care facilities for persons with intellectual disabilities, and individuals who are otherwise eligible for section 1915(c) of the federal social security act home and community-based waiver services, administered by the department (~~(of social and health services aging and adult services administration,)~~) who are aged, blind, or disabled as defined in Title XVI of the federal social security act and whose income exceeds three hundred percent of the federal supplement security income benefit level.

(2) Determination of the amount, scope, and duration of medical coverage under the limited casualty program shall be the responsibility of the ~~((department))~~ authority, subject to the following:

(a) Only the following services may be covered:

(i) For persons who are medically needy as defined in the social security Title XIX state plan: Inpatient and outpatient hospital services, and home and community-based waiver services;

(ii) For persons who are medically needy as defined in the social security Title XIX state plan, and for persons who are medical indigents under the eligibility requirements established by the ~~((department))~~ authority: Rural health clinic services; physicians' and clinic services; prescribed drugs, dentures, prosthetic devices, and eyeglasses; nursing facility services; and intermediate care facility services for persons with intellectual disabilities; home health services; hospice services; other laboratory and X-ray services; rehabilitative services, including occupational therapy; medically necessary transportation; and other services for which funds are specifically provided in the omnibus appropriations act;

(b) Medical care services provided to the medically indigent and received no more than seven days prior to the date of application shall be retroactively certified and approved for payment on behalf of a person who was otherwise eligible at the time the medical services were furnished: PROVIDED, That eligible persons who fail to apply within the seven-day time period for medical reasons or other good cause may be retroactively certified and approved for payment.

(3) The ~~((department))~~ authority shall establish standards of assistance and resource and income exemptions. All nonexempt income and resources of limited casualty program recipients shall be applied against the cost of their medical care services.

Sec. 43. RCW 74.09.710 and 2007 c 259 s 4 are each amended to read as follows:

(1) The ~~((department of social and health services))~~ authority, in collaboration with the department of health and the department of social and health services, shall:

(a) Design and implement medical homes for its aged, blind, and disabled clients in conjunction with chronic care management programs to improve health outcomes, access, and cost-effectiveness. Programs must be evidence based, facilitating the use of information technology to improve quality of care, must acknowledge the role of primary care providers and include financial and other supports to enable these providers to effectively carry out their role in chronic care management, and must improve coordination of primary, acute, and long-term care for those clients with multiple chronic conditions. The ~~((department))~~ authority shall consider expansion of existing medical home and

chronic care management programs and build on the Washington state collaborative initiative. The ~~((department))~~ authority shall use best practices in identifying those clients best served under a chronic care management model using predictive modeling through claims or other health risk information; and

(b) Evaluate the effectiveness of current chronic care management efforts in the ~~((health and recovery services administration and the aging and disability services administration))~~ authority and the department, comparison to best practices, and recommendations for future efforts and organizational structure to improve chronic care management.

(2) For purposes of this section:

(a) "Medical home" means a site of care that provides comprehensive preventive and coordinated care centered on the patient needs and assures high quality, accessible, and efficient care.

(b) "Chronic care management" means the ~~((department's))~~ authority's program that provides care management and coordination activities for medical assistance clients determined to be at risk for high medical costs. "Chronic care management" provides education and training and/or coordination that assist program participants in improving self-management skills to improve health outcomes and reduce medical costs by educating clients to better utilize services.

Sec. 44. RCW 74.09.715 and 2008 c 146 s 13 are each amended to read as follows:

Within funds appropriated for this purpose, the ~~((department))~~ authority shall establish two dental access projects to serve seniors and other adults who are categorically needy blind or disabled. The projects shall provide:

(1) Enhanced reimbursement rates for certified dentists for specific procedures, to begin no sooner than July 1, 2009;

(2) Reimbursement for trained medical providers for preventive oral health services, to begin no sooner than July 1, 2009;

(3) Training, development, and implementation through a partnership with the University of Washington school of dentistry;

(4) Local program coordination including outreach and case management; and

(5) An evaluation that measures the change in utilization rates and cost savings.

Sec. 45. RCW 74.09.720 and 1983 c 194 s 26 are each amended to read as follows:

(1) A prevention of blindness program is hereby established in the ~~((department of social and health services))~~ authority to provide prompt, specialized medical eye care, including assistance with costs when necessary, for conditions in which sight is endangered or sight can be restored or significantly improved. The ~~((department of social and health services))~~ authority shall adopt rules concerning program eligibility, levels of assistance, and the scope of services.

(2) The ~~((department of social and health services))~~ authority shall employ on a part-time basis an ophthalmological and/or an optometrical consultant to provide liaison with participating eye physicians and to review medical recommendations made by an applicant's eye physician to determine whether the proposed services meet program standards.

(3) The ~~((department of social and health services))~~ authority and the department of services for the blind shall formulate a cooperative agreement concerning referral of clients between the two agencies and the coordination of policies and services.

Sec. 46. RCW 74.09.725 and 2006 c 367 s 8 are each amended to read as follows:

~~((The department))~~ The authority shall provide coverage for prostate cancer screening under this chapter, provided that the screening is delivered upon the recommendation of the patient's physician, advanced registered nurse practitioner, or physician assistant.

Sec. 47. RCW 74.09.730 and 2009 c 538 s 1 are each amended to read as follows:

In establishing Title XIX payments for inpatient hospital services:

(1) To the extent funds are appropriated specifically for this purpose, and subject to any conditions placed on appropriations made for this purpose, the ~~((department of social and health services))~~ authority shall provide a disproportionate share hospital adjustment considering the following components:

(a) A low-income care component based on a hospital's medicaid utilization rate, its low-income utilization rate, its provision of obstetric services, and other factors authorized by federal law;

(b) A medical indigency care component based on a hospital's services to persons who are medically indigent; and

(c) A state-only component, to be paid from available state funds to hospitals that do not qualify for federal payments under (b) of this subsection, based on a hospital's services to persons who are medically indigent;

(2) The payment methodology for disproportionate share hospitals shall be specified by the ~~((department))~~ authority in regulation.

(3) Nothing in this section shall be construed as a right or an entitlement by any hospital to any payment from the authority.

Sec. 48. RCW 74.09.770 and 1989 1st ex.s. c 10 s 2 are each amended to read as follows:

(1) The legislature finds that Washington state and the nation as a whole have a high rate of infant illness and death compared with other industrialized nations. This is especially true for minority and low-income populations. Premature and low weight births have been directly linked to infant illness and death. The availability of adequate maternity care throughout the course of pregnancy has been identified as a major factor in reducing infant illness and death. Further, the investment in preventive health care programs, such as maternity care, contributes to the growth of a healthy and productive society and is a sound approach to health care cost containment. The legislature further finds that access to maternity care for low-income women in the state of Washington has declined significantly in recent years and has reached a crisis level.

(2) It is the purpose of this ~~((chapter [subchapter]))~~ subchapter to provide, consistent with appropriated funds, maternity care necessary to ensure healthy birth outcomes for low-income families. To this end, a maternity care access system is established based on the following principles:

(a) The family is the fundamental unit in our society and should be supported through public policy.

(b) Access to maternity care for eligible persons to ensure healthy birth outcomes should be made readily available in an expeditious manner through a single service entry point.

(c) Unnecessary barriers to maternity care for eligible persons should be removed.

(d) Access to preventive and other health care services should be available for low-income children.

(e) Each woman should be encouraged to and assisted in making her own informed decisions about her maternity care.

(f) Unnecessary barriers to the provision of maternity care by qualified health professionals should be removed.

(g) The system should be sensitive to cultural differences among eligible persons.

(h) To the extent possible, decisions about the scope, content, and delivery of services should be made at the local level involving a broad representation of community interests.

(i) The maternity care access system should be evaluated at appropriate intervals to determine effectiveness and need for modification.

(j) Maternity care services should be delivered in a cost-effective manner.

Sec. 49. RCW 74.09.790 and 1993 c 407 s 9 are each amended to read as follows:

Unless the context clearly requires otherwise, the definitions in this section apply throughout RCW 74.09.760 through 74.09.820 and 74.09.510:

(1) "At-risk eligible person" means an eligible person determined by the ~~((department))~~ authority to need special assistance in applying for and obtaining maternity care, including pregnant women who are substance abusers, pregnant and parenting adolescents, pregnant minority women, and other eligible persons who need special assistance in gaining access to the maternity care system.

(2) "County authority" means the board of county commissioners, county council, or county executive having the authority to participate in the maternity care access program or its designee. Two or more county authorities may enter into joint agreements to fulfill the requirements of this chapter.

(3) "Department" means the department of social and health services.

(4) "Eligible person" means a woman in need of maternity care or a child, who is eligible for medical assistance pursuant to this chapter or the prenatal care program administered by the ~~((department))~~ authority.

(5) "Maternity care services" means inpatient and outpatient medical care, case management, and support services necessary during prenatal, delivery, and postpartum periods.

(6) "Support services" means, at least, public health nursing assessment and follow-up, health and childbirth education, psychological assessment and counseling, outreach services, nutritional assessment and counseling, needed vitamin and nonprescriptive drugs, transportation, family planning services, and child care. Support services may include alcohol and substance abuse treatment for pregnant women who are addicted or at risk of being addicted to alcohol or drugs to the extent funds are made available for that purpose.

(7) "Family planning services" means planning the number of one's children by use of contraceptive techniques.

(8) "Authority" means the Washington state health care authority.

Sec. 50. RCW 74.09.800 and 1993 c 407 s 10 are each amended to read as follows:

The ~~((department))~~ authority shall, consistent with the state budget act, develop a maternity care access program designed to ensure healthy birth outcomes as follows:

(1) Provide maternity care services to low-income pregnant women and health care services to children in poverty to the maximum extent allowable under the medical assistance program, Title XIX of the federal social security act;

(2) Provide maternity care services to low-income women who are not eligible to receive such services under the medical assistance program, Title XIX of the federal social security act;

(3) ~~((By January 1, 1990,))~~ Have the following procedures in place to improve access to maternity care services and eligibility determinations for pregnant women applying for maternity care services under the medical assistance program, Title XIX of the federal social security act:

(a) Use of a shortened and simplified application form;

(b) Outstationing ~~((department))~~ authority staff to make eligibility determinations;

(c) Establishing local plans at the county and regional level, coordinated by the ~~((department))~~ authority; and

(d) Conducting an interview for the purpose of determining medical assistance eligibility within five working days of the date of an application by a pregnant woman and making an eligibility determination within fifteen working days of the date of application by a pregnant woman;

(4) Establish a maternity care case management system that shall assist at-risk eligible persons with obtaining medical assistance benefits and receiving maternity care services, including transportation and child care services;

(5) Within available resources, establish appropriate reimbursement levels for maternity care providers;

(6) Implement a broad-based public education program that stresses the importance of obtaining maternity care early during pregnancy;

(7) Refer persons eligible for maternity care services under the program established by this section to persons, agencies, or organizations with maternity care service practices that primarily emphasize healthy birth outcomes;

(8) Provide family planning services including information about the synthetic progestin capsule implant form of contraception, for twelve months immediately following a pregnancy to women who were eligible for medical assistance under the maternity care access program during that pregnancy or who were eligible only for emergency labor and delivery services during that pregnancy; and

(9) Within available resources, provide family planning services to women who meet the financial eligibility requirements for services under subsections (1) and (2) of this section.

Sec. 51. RCW 74.09.810 and 1989 1st ex.s. c 10 s 6 are each amended to read as follows:

(1) The ~~((department))~~ authority shall establish an alternative maternity care service delivery system, if it determines that a county or a group of counties is a maternity care distressed area. A maternity care distressed area shall be defined by the ~~((department))~~ authority, in rule, as a county or a group of counties where eligible women are unable to obtain adequate maternity care. The ~~((department))~~ authority shall include the following factors in its determination:

(a) Higher than average percentage of eligible persons in the distressed area who receive late or no prenatal care;

(b) Higher than average percentage of eligible persons in the distressed area who go out of the area to receive maternity care;

(c) Lower than average percentage of obstetrical care providers in the distressed area who provide care to eligible persons;

(d) Higher than average percentage of infants born to eligible persons per obstetrical care provider in the distressed area; and

(e) Higher than average percentage of infants that are of low birth weight, five and one-half pounds or two thousand five hundred grams, born to eligible persons in the distressed area.

(2) If the ~~((department))~~ authority determines that a maternity care distressed area exists, it shall notify the relevant county authority. The county authority shall, within one hundred twenty days, submit a brief report to the ~~((department))~~ authority recommending remedial action. The report shall be prepared in consultation with the ~~((department and its))~~ authority and with the department's local community service offices, the local public health officer, community health clinics, health care providers, hospitals, the business community, labor representatives, and low-income advocates in the distressed area. A county authority may contract with a local nonprofit entity to develop the report. If the county authority is unwilling or unable to develop the report, it shall notify the ~~((department))~~ authority within thirty days, and the ~~((department))~~ authority shall develop the report for the distressed area.

(3) The ~~((department))~~ authority shall review the report and use it, to the extent possible, in developing strategies to improve maternity care access in the distressed area. The ~~((department))~~ authority may contract with or directly employ qualified maternity care health providers to provide maternity care services, if access to such providers in the distressed area is not possible by other means. In such cases, the ~~((department))~~ authority is authorized to pay that portion of the health care providers' malpractice liability insurance that represents the percentage of maternity care provided to eligible persons by that provider through increased medical assistance payments.

Sec. 52. RCW 74.09.820 and 1989 1st ex.s. c 10 s 7 are each amended to read as follows:

To the extent that federal matching funds are available, the ~~((department))~~ authority or the department of health ~~((if one is created))~~ shall establish, in consultation with the health science programs of the state's colleges and universities, and community health clinics, a loan repayment program that will encourage maternity care providers to practice in medically underserved areas in exchange for repayment of part or all of their health education loans.

NEW SECTION. Sec. 53. A new section is added to chapter 74.09 RCW to read as follows:

(1) The following persons have the right to an adjudicative proceeding:

(a) Any applicant or recipient who is aggrieved by a decision of the authority or an authorized agency of the authority; or

(b) A current or former recipient who is aggrieved by the authority's claim that he or she owes a debt for overpayment of assistance.

(2) For purposes of this section:

(a) "Applicant" means any person who has made a request, or on behalf of whom a request has been made to the authority for any medical services program established under chapter 74.09 RCW.

(b) "Recipient" means a person who is receiving benefits from the authority for any medical services program established in this chapter.

(3) An applicant or recipient has no right to an adjudicative proceeding when the sole basis for the authority's decision is a federal or state law requiring an assistance adjustment for a class of applicants or recipients.

(4) An applicant or recipient may file an application for an adjudicative proceeding with either the authority or the department and must do so within ninety calendar days after receiving notice of the aggrieving decision. The authority shall determine which agency is responsible for representing the state of Washington in the hearing, in accordance with agreements entered pursuant to RCW 41.05.021.

(5)(a) The adjudicative proceeding is governed by the administrative procedure act, chapter 34.05 RCW, and this subsection. The following requirements shall apply to adjudicative proceedings in which an appellant seeks review of decisions made by more than one agency. When an appellant files a single application for an adjudicative proceeding seeking review of decisions by more than one agency, this review shall be conducted initially in one adjudicative proceeding. The presiding officer may sever the proceeding into multiple proceedings on the motion of any of the parties, when:

(i) All parties consent to the severance; or

(ii) Either party requests severance without another party's consent, and the presiding officer finds there is good cause for severing the matter and that the proposed severance is not likely to prejudice the rights of an appellant who is a party to any of the severed proceedings.

(b) If there are multiple adjudicative proceedings involving common issues or parties where there is one appellant and both the authority and the department are parties, upon motion of any party or upon his or her own motion, the presiding officer may consolidate the proceedings if he or she finds that the consolidation is not likely to prejudice the rights of the appellant who is a party to any of the consolidated proceedings.

(c) The adjudicative proceeding shall be conducted at the local community services office or other location in Washington convenient to the applicant or recipient and, upon agreement by the applicant or recipient, may be conducted telephonically.

(d) The applicant or recipient, or his or her representative, has the right to inspect his or her file from the authority and, upon request, to receive copies of authority documents relevant to the proceedings free of charge.

(e) The applicant or recipient has the right to a copy of the audio recording of the adjudicative proceeding free of charge.

(f) If a final adjudicative order is issued in favor of an applicant, medical services benefits must be provided from the date of earliest eligibility, the date of denial of the application for assistance, or forty-five days following the date of application, whichever is soonest. If a final adjudicative order is issued in favor of a recipient, medical services benefits must be provided from the effective date of the authority's decision.

(g) The authority is limited to recovering an overpayment arising from assistance being continued pending the adjudicative proceeding to the amount recoverable up to the sixtieth day after the director's receipt of the application for an adjudicative proceeding.

(6) If the director requires that a party seek administrative review of an initial order to an adjudicative proceeding governed by this section, in order for the party to exhaust administrative remedies pursuant to RCW 34.05.534, the director shall adopt and implement rules in accordance with this subsection.

(a) The director, in consultation with the secretary, shall adopt rules to create a process for parties to seek administrative review of initial orders issued pursuant to RCW 34.05.461 in adjudicative proceedings governed by this subsection when multiple agencies are parties.

(b) This process shall seek to minimize any procedural complexities imposed on appellants that result from multiple agencies being parties to the matter, without prejudicing the rights of parties who are public assistance applicants or recipients.

(c) Nothing in this subsection shall impose or modify any legal requirement that a party seek administrative review of initial orders in order to exhaust administrative remedies pursuant to RCW 34.05.534.

(7) This subsection only applies to an adjudicative proceeding in which the appellant is an applicant for or recipient of medical services programs established under this chapter and the issue is his or her eligibility or ineligibility due to the assignment or transfer of a resource. The burden is on the authority or its authorized agency to prove by a preponderance of the evidence that the person knowingly and willingly assigned or transferred the resource at less than market value for the purpose of qualifying or continuing to qualify for medical services programs established under this chapter. If the prevailing party in the adjudicative proceeding is the applicant or recipient, he or she is entitled to reasonable attorneys' fees.

(8) When an applicant or recipient files a petition for judicial review as provided in RCW 34.05.514 of an adjudicative order entered with respect to the medical services program, no filing fee may be collected from the person and no bond may be required on any appeal. In the event that the superior court, the court of appeals, or the supreme court renders a decision in favor of the applicant or recipient, the person is entitled to reasonable attorneys' fees and costs. If a decision of the court is made in favor of an applicant, assistance shall be paid from the date of earliest eligibility, the date of the denial of the application for assistance, or forty-five days following the date of application, whichever is soonest. If a decision of the court is made in favor of a recipient, assistance shall be paid from the effective date of the authority's decision.

(9) The provisions of RCW 74.08.080 do not apply to adjudicative proceedings requested or conducted with respect to the medical services program pursuant to this section.

(10) The authority shall adopt any rules it deems necessary to implement this section.

Sec. 54. RCW 41.05.011 and 2009 c 537 s 3 are each amended to read as follows:

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

(1) (~~"Administrator"~~) "Director" means the (~~administrator~~) director of the authority.

(2) "State purchased health care" or "health care" means medical and health care, pharmaceuticals, and medical equipment purchased with state and federal funds by the department of social and health services, the department of health, the basic health plan, the state health care authority, the department of labor and industries, the department of corrections, the department of veterans affairs, and local school districts.

(3) "Authority" means the Washington state health care authority.

(4) "Insuring entity" means an insurer as defined in chapter 48.01 RCW, a health care service contractor as defined in chapter 48.44 RCW, or a health maintenance organization as defined in chapter 48.46 RCW.

(5) "Flexible benefit plan" means a benefit plan that allows employees to choose the level of health care coverage provided and the amount of employee contributions from among a range of choices offered by the authority.

(6) "Employee" includes all employees of the state, whether or not covered by civil service; elected and appointed officials of the executive branch of government, including full-time members of boards, commissions, or committees; justices of the supreme court and judges of the court of appeals and the superior courts; and members of the state legislature. Pursuant to contractual agreement with the authority, "employee" may also include: (a) Employees of a county, municipality, or other political subdivision of the state and members of the legislative authority of any county, city, or town who are elected to office after February 20, 1970, if the legislative authority of the county, municipality, or other political subdivision of the state seeks and receives the approval of the authority to provide any of its insurance programs by contract with the authority, as provided in RCW 41.04.205 and 41.05.021(1)(g); (b) employees of employee organizations representing state civil service employees, at the option of each such employee organization, and, effective October 1, 1995, employees of employee organizations currently pooled with employees of school districts for the purpose of purchasing insurance benefits, at the option of each such employee organization; (c) employees of a school district if the authority agrees to provide any of the school districts' insurance programs by contract with the authority as provided in RCW 28A.400.350; and (d) employees of a tribal government, if the governing body of the tribal government seeks and receives the approval of the authority to provide any of its insurance programs by contract with the authority, as provided in RCW 41.05.021(1) (f) and (g). "Employee" does not include: Adult family homeowners; unpaid volunteers; patients of state hospitals; inmates; employees of the Washington state convention and trade center as provided in RCW 41.05.110; students of

institutions of higher education as determined by their institution; and any others not expressly defined as employees under this chapter or by the authority under this chapter.

(7) "Seasonal employee" means an employee hired to work during a recurring, annual season with a duration of three months or more, and anticipated to return each season to perform similar work.

(8) "Faculty" means an academic employee of an institution of higher education whose workload is not defined by work hours but whose appointment, workload, and duties directly serve the institution's academic mission, as determined under the authority of its enabling statutes, its governing body, and any applicable collective bargaining agreement.

(9) "Board" means the public employees' benefits board established under RCW 41.05.055.

(10) "Retired or disabled school employee" means:

(a) Persons who separated from employment with a school district or educational service district and are receiving a retirement allowance under chapter 41.32 or 41.40 RCW as of September 30, 1993;

(b) Persons who separate from employment with a school district or educational service district on or after October 1, 1993, and immediately upon separation receive a retirement allowance under chapter 41.32, 41.35, or 41.40 RCW;

(c) Persons who separate from employment with a school district or educational service district due to a total and permanent disability, and are eligible to receive a deferred retirement allowance under chapter 41.32, 41.35, or 41.40 RCW.

(11) "Premium payment plan" means a benefit plan whereby state and public employees may pay their share of group health plan premiums with pretax dollars as provided in the salary reduction plan under this chapter pursuant to 26 U.S.C. Sec. 125 or other sections of the internal revenue code.

(12) "Salary" means a state employee's monthly salary or wages.

(13) "Participant" means an individual who fulfills the eligibility and enrollment requirements under the salary reduction plan.

(14) "Plan year" means the time period established by the authority.

(15) "Separated employees" means persons who separate from employment with an employer as defined in:

(a) RCW 41.32.010(~~((44))~~) (17) on or after July 1, 1996; or

(b) RCW 41.35.010 on or after September 1, 2000; or

(c) RCW 41.40.010 on or after March 1, 2002;

and who are at least age fifty-five and have at least ten years of service under the teachers' retirement system plan 3 as defined in RCW 41.32.010(~~((40))~~) (33), the Washington school employees' retirement system plan 3 as defined in RCW 41.35.010, or the public employees' retirement system plan 3 as defined in RCW 41.40.010.

(16) "Emergency service personnel killed in the line of duty" means law enforcement officers and firefighters as defined in RCW 41.26.030, members of the Washington state patrol retirement fund as defined in RCW 43.43.120, and reserve officers and firefighters as defined in RCW 41.24.010 who die as a result of injuries sustained in the course of employment as determined consistent with Title 51 RCW by the department of labor and industries.

(17) "Employer" means the state of Washington.

(18) "Employing agency" means a division, department, or separate agency of state government, including an institution of higher education; a county, municipality, school district, educational service district, or other political subdivision; and a tribal government covered by this chapter.

(19) "Tribal government" means an Indian tribal government as defined in section 3(32) of the employee retirement income security act of 1974, as amended, or an agency or instrumentality of the tribal government, that has government offices principally located in this state.

(20) "Dependent care assistance program" means a benefit plan whereby state and public employees may pay for certain employment related dependent care with pretax dollars as provided in the salary reduction plan under this chapter pursuant to 26 U.S.C. Sec. 129 or other sections of the internal revenue code.

(21) "Salary reduction plan" means a benefit plan whereby state and public employees may agree to a reduction of salary on a pretax basis to participate in the dependent care assistance program, medical flexible spending arrangement, or premium payment plan offered pursuant to 26 U.S.C. Sec. 125 or other sections of the internal revenue code.

(22) "Medical flexible spending arrangement" means a benefit plan whereby state and public employees may reduce their salary before taxes to pay for medical expenses not reimbursed by insurance as provided in the salary reduction plan under this chapter pursuant to 26 U.S.C. Sec. 125 or other sections of the internal revenue code.

Sec. 55. RCW 41.05.015 and 2000 c 5 s 16 are each amended to read as follows:

The ~~((administrator))~~ director shall designate a medical director who is licensed under chapter 18.57 or 18.71 RCW. The director shall also appoint such professional personnel and other assistants and employees, including professional medical screeners, as may be reasonably necessary to carry out the provisions of this chapter and chapter 74.09 RCW. The medical screeners must be supervised by one or more physicians whom the director or the director's designee shall appoint.

Sec. 56. RCW 41.05.021 and 2009 c 537 s 4 are each amended to read as follows:

(1) The Washington state health care authority is created within the executive branch. The authority shall have ~~((an administrator))~~ a director appointed by the governor, with the consent of the senate. The ~~((administrator))~~ director shall serve at the pleasure of the governor. The ~~((administrator))~~ director may employ ~~((up to seven staff members))~~ a deputy director, and such assistant directors and special assistants as may be needed to administer the authority, who shall be exempt from chapter 41.06 RCW, and any additional staff members as are necessary to administer this chapter. The ((administrator)) director may delegate any power or duty vested in him or her by ((this chapter)) law, including authority to make final decisions and enter final orders in hearings conducted under chapter 34.05 RCW. The primary duties of the authority shall be to: Administer state employees' insurance benefits and retired or disabled school employees' insurance benefits; administer the basic health plan pursuant

to chapter 70.47 RCW; administer the children's health program pursuant to chapter 74.09 RCW; study state-purchased health care programs in order to maximize cost containment in these programs while ensuring access to quality health care; implement state initiatives, joint purchasing strategies, and techniques for efficient administration that have potential application to all state-purchased health services; and administer grants that further the mission and goals of the authority. The authority's duties include, but are not limited to, the following:

(a) To administer health care benefit programs for employees and retired or disabled school employees as specifically authorized in RCW 41.05.065 and in accordance with the methods described in RCW 41.05.075, 41.05.140, and other provisions of this chapter;

(b) To analyze state-purchased health care programs and to explore options for cost containment and delivery alternatives for those programs that are consistent with the purposes of those programs, including, but not limited to:

(i) Creation of economic incentives for the persons for whom the state purchases health care to appropriately utilize and purchase health care services, including the development of flexible benefit plans to offset increases in individual financial responsibility;

(ii) Utilization of provider arrangements that encourage cost containment, including but not limited to prepaid delivery systems, utilization review, and prospective payment methods, and that ensure access to quality care, including assuring reasonable access to local providers, especially for employees residing in rural areas;

(iii) Coordination of state agency efforts to purchase drugs effectively as provided in RCW 70.14.050;

(iv) Development of recommendations and methods for purchasing medical equipment and supporting services on a volume discount basis;

(v) Development of data systems to obtain utilization data from state-purchased health care programs in order to identify cost centers, utilization patterns, provider and hospital practice patterns, and procedure costs, utilizing the information obtained pursuant to RCW 41.05.031; and

(vi) In collaboration with other state agencies that administer state purchased health care programs, private health care purchasers, health care facilities, providers, and carriers:

(A) Use evidence-based medicine principles to develop common performance measures and implement financial incentives in contracts with insuring entities, health care facilities, and providers that:

(I) Reward improvements in health outcomes for individuals with chronic diseases, increased utilization of appropriate preventive health services, and reductions in medical errors; and

(II) Increase, through appropriate incentives to insuring entities, health care facilities, and providers, the adoption and use of information technology that contributes to improved health outcomes, better coordination of care, and decreased medical errors;

(B) Through state health purchasing, reimbursement, or pilot strategies, promote and increase the adoption of health information technology systems, including electronic medical records, by hospitals as defined in RCW 70.41.020(4), integrated delivery systems, and providers that:

- (I) Facilitate diagnosis or treatment;
 - (II) Reduce unnecessary duplication of medical tests;
 - (III) Promote efficient electronic physician order entry;
 - (IV) Increase access to health information for consumers and their providers; and
 - (V) Improve health outcomes;
- (C) Coordinate a strategy for the adoption of health information technology systems using the final health information technology report and recommendations developed under chapter 261, Laws of 2005;
- (c) To analyze areas of public and private health care interaction;
 - (d) To provide information and technical and administrative assistance to the board;
 - (e) To review and approve or deny applications from counties, municipalities, and other political subdivisions of the state to provide state-sponsored insurance or self-insurance programs to their employees in accordance with the provisions of RCW 41.04.205 and (g) of this subsection, setting the premium contribution for approved groups as outlined in RCW 41.05.050;
 - (f) To review and approve or deny the application when the governing body of a tribal government applies to transfer their employees to an insurance or self-insurance program administered under this chapter. In the event of an employee transfer pursuant to this subsection (1)(f), members of the governing body are eligible to be included in such a transfer if the members are authorized by the tribal government to participate in the insurance program being transferred from and subject to payment by the members of all costs of insurance for the members. The authority shall: (i) Establish the conditions for participation; (ii) have the sole right to reject the application; and (iii) set the premium contribution for approved groups as outlined in RCW 41.05.050. Approval of the application by the authority transfers the employees and dependents involved to the insurance, self-insurance, or health care program approved by the authority;
 - (g) To ensure the continued status of the employee insurance or self-insurance programs administered under this chapter as a governmental plan under section 3(32) of the employee retirement income security act of 1974, as amended, the authority shall limit the participation of employees of a county, municipal, school district, educational service district, or other political subdivision, or a tribal government, including providing for the participation of those employees whose services are substantially all in the performance of essential governmental functions, but not in the performance of commercial activities;
 - (h) To establish billing procedures and collect funds from school districts in a way that minimizes the administrative burden on districts;
 - (i) To publish and distribute to nonparticipating school districts and educational service districts by October 1st of each year a description of health care benefit plans available through the authority and the estimated cost if school districts and educational service district employees were enrolled;
 - (j) To apply for, receive, and accept grants, gifts, and other payments, including property and service, from any governmental or other public or private

entity or person, and make arrangements as to the use of these receipts to implement initiatives and strategies developed under this section;

(k) To issue, distribute, and administer grants that further the mission and goals of the authority;

(l) To adopt rules consistent with this chapter as described in RCW 41.05.160 including, but not limited to:

(i) Setting forth the criteria established by the board under RCW 41.05.065 for determining whether an employee is eligible for benefits;

(ii) Establishing an appeal process in accordance with chapter 34.05 RCW by which an employee may appeal an eligibility determination;

(iii) Establishing a process to assure that the eligibility determinations of an employing agency comply with the criteria under this chapter, including the imposition of penalties as may be authorized by the board;

(m)(i) To administer the medical services programs established under chapter 74.09 RCW as the designated single state agency for purposes of Title XIX of the federal social security act;

(ii) To administer the state children's health insurance program under chapter 74.09 RCW for purposes of Title XXI of the federal social security act;

(iii) To enter into agreements with the department of social and health services for administration of medical care services programs under Titles XIX and XXI of the social security act. The agreements shall establish the division of responsibilities between the authority and the department with respect to mental health, chemical dependency, and long-term care services, including services for persons with developmental disabilities. The agreements shall be revised as necessary, to comply with the final implementation plan adopted under section 116 of this act;

(iv) To adopt rules to carry out the purposes of chapter 74.09 RCW;

(v) To appoint such advisory committees or councils as may be required by any federal statute or regulation as a condition to the receipt of federal funds by the authority. The director may appoint statewide committees or councils in the following subject areas: (A) Health facilities; (B) children and youth services; (C) blind services; (D) medical and health care; (E) drug abuse and alcoholism; (F) rehabilitative services; and (G) such other subject matters as are or come within the authority's responsibilities. The statewide councils shall have representation from both major political parties and shall have substantial consumer representation. Such committees or councils shall be constituted as required by federal law or as the director in his or her discretion may determine. The members of the committees or councils shall hold office for three years except in the case of a vacancy, in which event appointment shall be only for the remainder of the unexpired term for which the vacancy occurs. No member shall serve more than two consecutive terms. Members of such state advisory committees or councils may be paid their travel expenses in accordance with RCW 43.03.050 and 43.03.060 as now existing or hereafter amended.

(2) On and after January 1, 1996, the public employees' benefits board may implement strategies to promote managed competition among employee health benefit plans. Strategies may include but are not limited to:

(a) Standardizing the benefit package;

(b) Soliciting competitive bids for the benefit package;

(c) Limiting the state's contribution to a percent of the lowest priced qualified plan within a geographical area;

(d) Monitoring the impact of the approach under this subsection with regards to: Efficiencies in health service delivery, cost shifts to subscribers, access to and choice of managed care plans statewide, and quality of health services. The health care authority shall also advise on the value of administering a benchmark employer-managed plan to promote competition among managed care plans.

Sec. 57. RCW 41.05.036 and 2009 c 300 s 2 are each amended to read as follows:

The definitions in this section apply throughout RCW 41.05.039 through 41.05.046 unless the context clearly requires otherwise.

(1) (~~("Administrator")~~) "Director" means the (~~(administrator)~~) director of the state health care authority under this chapter.

(2) "Exchange" means the methods or medium by which health care information may be electronically and securely exchanged among authorized providers, payors, and patients within Washington state.

(3) "Health care provider" or "provider" has the same meaning as in RCW 48.43.005.

(4) "Health data provider" means an organization that is a primary source for health-related data for Washington residents, including but not limited to:

(a) The children's health immunizations linkages and development profile immunization registry provided by the department of health pursuant to chapter 43.70 RCW;

(b) Commercial laboratories providing medical laboratory testing results;

(c) Prescription drugs clearinghouses, such as the national patient health information network; and

(d) Diagnostic imaging centers.

(5) "Lead organization" means a private sector organization or organizations designated by the (~~(administrator)~~) director to lead development of processes, guidelines, and standards under chapter 300, Laws of 2009.

(6) "Payor" means public purchasers, as defined in this section, carriers licensed under chapters 48.20, 48.21, 48.44, 48.46, and 48.62 RCW, and the Washington state health insurance pool established in chapter 48.41 RCW.

(7) "Public purchaser" means the department of social and health services, the department of labor and industries, and the health care authority.

(8) "Secretary" means the secretary of the department of health.

Sec. 58. RCW 41.05.037 and 2007 c 259 s 15 are each amended to read as follows:

To the extent that (~~(sufficient)~~) funding is provided specifically for this purpose, the (~~(administrator, in collaboration with the department of social and health services,)~~) director shall provide all persons enrolled in health plans under this chapter and chapters 70.47 and 74.09 RCW with access to a twenty-four hour, seven day a week nurse hotline.

Sec. 59. RCW 41.05.140 and 2000 c 80 s 5 are each amended to read as follows:

(1) Except for property and casualty insurance, the authority may self-fund, self-insure, or enter into other methods of providing insurance coverage for

insurance programs under its jurisdiction, including the basic health plan as provided in chapter 70.47 RCW. The authority shall contract for payment of claims or other administrative services for programs under its jurisdiction. If a program does not require the prepayment of reserves, the authority shall establish such reserves within a reasonable period of time for the payment of claims as are normally required for that type of insurance under an insured program. The authority shall endeavor to reimburse basic health plan health care providers under this section at rates similar to the average reimbursement rates offered by the statewide benchmark plan determined through the request for proposal process.

(2) Reserves established by the authority for employee and retiree benefit programs shall be held in a separate trust fund by the state treasurer and shall be known as the public employees' and retirees' insurance reserve fund. The state investment board shall act as the investor for the funds and, except as provided in RCW 43.33A.160 and 43.84.160, one hundred percent of all earnings from these investments shall accrue directly to the public employees' and retirees' insurance reserve fund.

(3) Any savings realized as a result of a program created for employees and retirees under this section shall not be used to increase benefits unless such use is authorized by statute.

(4) Reserves established by the authority to provide insurance coverage for the basic health plan under chapter 70.47 RCW shall be held in a separate trust account in the custody of the state treasurer and shall be known as the basic health plan self-insurance reserve account. The state investment board shall act as the investor for the funds as set forth in RCW 43.33A.230 and, except as provided in RCW 43.33A.160 and 43.84.160, one hundred percent of all earnings from these investments shall accrue directly to the basic health plan self-insurance reserve account.

(5) Any program created under this section shall be subject to the examination requirements of chapter 48.03 RCW as if the program were a domestic insurer. In conducting an examination, the commissioner shall determine the adequacy of the reserves established for the program.

(6) The authority shall keep full and adequate accounts and records of the assets, obligations, transactions, and affairs of any program created under this section.

(7) The authority shall file a quarterly statement of the financial condition, transactions, and affairs of any program created under this section in a form and manner prescribed by the insurance commissioner. The statement shall contain information as required by the commissioner for the type of insurance being offered under the program. A copy of the annual statement shall be filed with the speaker of the house of representatives and the president of the senate.

(8) The provisions of this section do not apply to the administration of chapter 74.09 RCW.

Sec. 60. RCW 43.20A.365 and 1997 c 430 s 2 are each amended to read as follows:

A committee or council required by federal law, within the (~~department of social and health services~~) health care authority, that makes policy recommendations regarding reimbursement for drugs under the requirements of federal law or regulations is subject to chapters 42.30 and 42.32 RCW.

Sec. 61. RCW 74.04.005 and 2010 1st sp.s. c 8 s 4 are each amended to read as follows:

For the purposes of this title, unless the context indicates otherwise, the following definitions shall apply:

(1) "Public assistance" or "assistance"—Public aid to persons in need thereof for any cause, including services, medical care, assistance grants, disbursing orders, work relief, disability lifeline benefits and federal aid assistance.

(2) "Department"—The department of social and health services.

(3) "County or local office"—The administrative office for one or more counties or designated service areas.

(4) (~~"Director" or~~) "Secretary" means the secretary of social and health services.

(5) "Disability lifeline program" means a program that provides aid and support in accordance with the conditions set out in this subsection.

(a) Aid and assistance shall be provided to persons who are not eligible to receive federal aid assistance, other than basic food benefits transferred electronically and medical assistance and meet one of the following conditions:

(i) Are pregnant and in need, based upon the current income and resource requirements of the federal temporary assistance for needy families program; or

(ii) Are incapacitated from gainful employment by reason of bodily or mental infirmity that will likely continue for a minimum of ninety days as determined by the department. The standard for incapacity in this subsection, as evidenced by the ninety-day duration standard, is not intended to be as stringent as federal supplemental security income disability standards; and

(A) Are citizens or aliens lawfully admitted for permanent residence or otherwise residing in the United States under color of law;

(B) Have furnished the department their social security number. If the social security number cannot be furnished because it has not been issued or is not known, an application for a number shall be made prior to authorization of benefits, and the social security number shall be provided to the department upon receipt;

(C) Have not refused or failed without good cause to participate in drug or alcohol treatment if an assessment by a certified chemical dependency counselor indicates a need for such treatment. Good cause must be found to exist when a person's physical or mental condition, as determined by the department, prevents the person from participating in drug or alcohol dependency treatment, when needed outpatient drug or alcohol treatment is not available to the person in the county of his or her residence or when needed inpatient treatment is not available in a location that is reasonably accessible for the person; and

(D) Have not refused or failed without good cause to participate in vocational rehabilitation services, if an assessment conducted under RCW 74.04.655 indicates that the person might benefit from such services. Good cause must be found to exist when a person's physical or mental condition, as determined by the department, prevents the person from participating in vocational rehabilitation services, or when vocational rehabilitation services are not available to the person in the county of his or her residence.

(b)(i) Persons who initially apply and are found eligible for disability lifeline benefits based upon incapacity from gainful employment under (a) of

this subsection on or after September 2, 2010, who are homeless and have been assessed as needing chemical dependency or mental health treatment or both, must agree, as a condition of eligibility for the disability lifeline program, to accept a housing voucher in lieu of a cash grant if a voucher is available. The department shall establish the dollar value of the housing voucher. The dollar value of the housing voucher may differ from the value of the cash grant. Persons receiving a housing voucher under this subsection also shall receive a cash stipend of fifty dollars per month.

(ii) If the department of commerce has determined under RCW 43.330.175 that sufficient housing is not available, persons described in this subsection who apply for disability lifeline benefits during the time period that housing is not available shall receive a cash grant in lieu of a cash stipend and housing voucher.

(iii) Persons who refuse to accept a housing voucher under this subsection but otherwise meet the eligibility requirements of (a) of this subsection are eligible for medical care services benefits under RCW 74.09.035, subject to the time limits in (h) of this subsection.

(c) The following persons are not eligible for the disability lifeline program:

(i) Persons who are unemployable due primarily to alcohol or drug addiction. These persons shall be referred to appropriate assessment, treatment, shelter, or supplemental security income referral services as authorized under chapter 74.50 RCW. Referrals shall be made at the time of application or at the time of eligibility review. This subsection shall not be construed to prohibit the department from granting disability lifeline benefits to alcoholics and drug addicts who are incapacitated due to other physical or mental conditions that meet the eligibility criteria for the disability lifeline program;

(ii) Persons who refuse or fail to cooperate in obtaining federal aid assistance, without good cause.

(d) Disability lifeline benefits shall be provided only to persons who are not members of assistance units receiving federal aid assistance, except as provided in (a) of this subsection, and who will accept available services that can reasonably be expected to enable the person to work or reduce the need for assistance unless there is good cause to refuse. Failure to accept such services shall result in termination until the person agrees to cooperate in accepting such services and subject to the following maximum periods of ineligibility after reapplication:

(i) First failure: One week;

(ii) Second failure within six months: One month;

(iii) Third and subsequent failure within one year: Two months.

(e) Persons who are likely eligible for federal supplemental security income benefits shall be moved into the disability lifeline expedited component of the disability lifeline program. Persons placed in the expedited component of the program may, if otherwise eligible, receive disability lifeline benefits pending application for federal supplemental security income benefits. The monetary value of any disability lifeline benefit that is subsequently duplicated by the person's receipt of supplemental security income for the same period shall be considered a debt due the state and shall by operation of law be subject to recovery through all available legal remedies.

(f) For purposes of determining whether a person is incapacitated from gainful employment under (a) of this subsection:

(i) The department shall adopt by rule medical criteria for disability lifeline incapacity determinations to ensure that eligibility decisions are consistent with statutory requirements and are based on clear, objective medical information; and

(ii) The process implementing the medical criteria shall involve consideration of opinions of the treating or consulting physicians or health care professionals regarding incapacity, and any eligibility decision which rejects uncontroverted medical opinion must set forth clear and convincing reasons for doing so.

(g) Persons receiving disability lifeline benefits based upon a finding of incapacity from gainful employment who remain otherwise eligible shall have their benefits discontinued unless the recipient demonstrates no material improvement in their medical or mental health condition. The department may discontinue benefits when there was specific error in the prior determination that found the person eligible by reason of incapacitation.

(h)(i) Beginning September 1, 2010, no person who is currently receiving or becomes eligible for disability lifeline program benefits shall be eligible to receive benefits under the program for more than twenty-four months in a sixty-month period. For purposes of this subsection, months of receipt of general assistance-unemployable benefits count toward the twenty-four month limit. Months during which a person received benefits under the expedited component of the disability lifeline or general assistance program or under the aged, blind, or disabled component of the disability lifeline or general assistance program shall not be included when determining whether a person has been receiving benefits for more than twenty-four months. On or before July 1, 2010, the department must review the cases of all persons who have received disability lifeline benefits or general assistance unemployable benefits for at least twenty months as of that date. On or before September 1, 2010, the department must review the cases of all remaining persons who have received disability lifeline benefits for at least twelve months as of that date. The review should determine whether the person meets the federal supplemental security income disability standard and, if the person does not meet that standard, whether the receipt of additional services could lead to employability. If a need for additional services is identified, the department shall provide case management services, such as assistance with arranging transportation or locating stable housing, that will facilitate the person's access to needed services. A person may not be determined ineligible due to exceeding the time limit unless he or she has received a case review under this subsection finding that the person does not meet the federal supplemental security income disability standard.

(ii) The time limits established under this subsection expire June 30, 2013.

(i) No person may be considered an eligible individual for disability lifeline benefits with respect to any month if during that month the person:

(i) Is fleeing to avoid prosecution of, or to avoid custody or confinement for conviction of, a felony, or an attempt to commit a felony, under the laws of the state of Washington or the place from which the person flees; or

(ii) Is violating a condition of probation, community supervision, or parole imposed under federal or state law for a felony or gross misdemeanor conviction.

(6) "Disability lifeline expedited" means a component of the disability lifeline program under which persons receiving disability lifeline benefits have been determined, after examination by an appropriate health care provider, to be likely to be eligible for federal supplemental security income benefits based on medical and behavioral health evidence that meets the disability standards used for the federal supplemental security income program.

(7) "Federal aid assistance"—The specific categories of assistance for which provision is made in any federal law existing or hereafter passed by which payments are made from the federal government to the state in aid or in respect to payment by the state for public assistance rendered to any category of needy persons for which provision for federal funds or aid may from time to time be made, or a federally administered needs-based program.

(8) "Applicant"—Any person who has made a request, or on behalf of whom a request has been made, to any county or local office for assistance.

(9) "Recipient"—Any person receiving assistance and in addition those dependents whose needs are included in the recipient's assistance.

(10) "Standards of assistance"—The level of income required by an applicant or recipient to maintain a level of living specified by the department.

(11) "Resource"—Any asset, tangible or intangible, owned by or available to the applicant at the time of application, which can be applied toward meeting the applicant's need, either directly or by conversion into money or its equivalent. The department may by rule designate resources that an applicant may retain and not be ineligible for public assistance because of such resources. Exempt resources shall include, but are not limited to:

(a) A home that an applicant, recipient, or their dependents is living in, including the surrounding property;

(b) Household furnishings and personal effects;

(c) A motor vehicle, other than a motor home, used and useful having an equity value not to exceed five thousand dollars;

(d) A motor vehicle necessary to transport a household member with a physical disability. This exclusion is limited to one vehicle per person with a physical disability;

(e) All other resources, including any excess of values exempted, not to exceed one thousand dollars or other limit as set by the department, to be consistent with limitations on resources and exemptions necessary for federal aid assistance. The department shall also allow recipients of temporary assistance for needy families to exempt savings accounts with combined balances of up to an additional three thousand dollars;

(f) Applicants for or recipients of disability lifeline benefits shall have their eligibility based on resource limitations consistent with the temporary assistance for needy families program rules adopted by the department; and

(g) If an applicant for or recipient of public assistance possesses property and belongings in excess of the ceiling value, such value shall be used in determining the need of the applicant or recipient, except that: (i) The department may exempt resources or income when the income and resources are determined necessary to the applicant's or recipient's restoration to independence, to decrease the need for public assistance, or to aid in rehabilitating the applicant or recipient or a dependent of the applicant or recipient; and (ii) the department may provide grant assistance for a period not to

exceed nine months from the date the agreement is signed pursuant to this section to persons who are otherwise ineligible because of excess real property owned by such persons when they are making a good faith effort to dispose of that property: PROVIDED, That:

(A) The applicant or recipient signs an agreement to repay the lesser of the amount of aid received or the net proceeds of such sale;

(B) If the owner of the excess property ceases to make good faith efforts to sell the property, the entire amount of assistance may become an overpayment and a debt due the state and may be recovered pursuant to RCW 43.20B.630;

(C) Applicants and recipients are advised of their right to a fair hearing and afforded the opportunity to challenge a decision that good faith efforts to sell have ceased, prior to assessment of an overpayment under this section; and

(D) At the time assistance is authorized, the department files a lien without a sum certain on the specific property.

(12) "Income"—(a) All appreciable gains in real or personal property (cash or kind) or other assets, which are received by or become available for use and enjoyment by an applicant or recipient during the month of application or after applying for or receiving public assistance. The department may by rule and regulation exempt income received by an applicant or recipient of public assistance which can be used by him or her to decrease his or her need for public assistance or to aid in rehabilitating him or her or his or her dependents, but such exemption shall not, unless otherwise provided in this title, exceed the exemptions of resources granted under this chapter to an applicant for public assistance. In addition, for cash assistance the department may disregard income pursuant to RCW 74.08A.230 and 74.12.350.

(b) If, under applicable federal requirements, the state has the option of considering property in the form of lump sum compensatory awards or related settlements received by an applicant or recipient as income or as a resource, the department shall consider such property to be a resource.

(13) "Need"—The difference between the applicant's or recipient's standards of assistance for himself or herself and the dependent members of his or her family, as measured by the standards of the department, and value of all nonexempt resources and nonexempt income received by or available to the applicant or recipient and the dependent members of his or her family.

(14) "Authority" means the health care authority.

(15) "Director" means the director of the health care authority.

(16) For purposes of determining eligibility for public assistance and participation levels in the cost of medical care, the department shall exempt restitution payments made to people of Japanese and Aleut ancestry pursuant to the Civil Liberties Act of 1988 and the Aleutian and Pribilof Island Restitution Act passed by congress, P.L. 100-383, including all income and resources derived therefrom.

~~((15))~~ (17) In the construction of words and phrases used in this title, the singular number shall include the plural, the masculine gender shall include both the feminine and neuter genders and the present tense shall include the past and future tenses, unless the context thereof shall clearly indicate to the contrary.

Sec. 62. RCW 74.04.015 and 1981 1st ex.s. c 6 s 2 are each amended to read as follows:

(1) The secretary of social and health services shall be the responsible state officer for the administration (~~(of)~~) and (~~(the)~~) disbursement of all funds, goods, commodities, and services, which may be received by the state in connection with programs of public assistance or services related directly or indirectly to assistance programs, and all other matters included in the federal social security act (~~(approved August 14, 1935)~~) as amended, or any other federal act or as the same may be amended (~~(excepting those specifically required to be administered by other entities)~~) except as otherwise provided by law.

(2) The director shall be the responsible state officer for the administration and disbursement of funds that the state receives in connection with the medical services programs established under chapter 74.09 RCW, including the state children's health insurance program, Titles XIX and XXI of the social security act of 1935, as amended.

~~(He)~~ (3) The department and the authority, as appropriate, shall make such reports and render such accounting as may be required by (~~(the)~~) federal (~~(agency having authority in the premises)~~) law.

Sec. 63. RCW 74.04.025 and 2010 c 296 s 7 are each amended to read as follows:

(1) The department, the authority, and the office of administrative hearings shall ensure that bilingual services are provided to non-English speaking applicants and recipients. The services shall be provided to the extent necessary to assure that non-English speaking persons are not denied, or unable to obtain or maintain, services or benefits because of their inability to speak English.

(2) If the number of non-English speaking applicants or recipients sharing the same language served by any community service office client contact job classification equals or exceeds fifty percent of the average caseload of a full-time position in such classification, the department shall, through attrition, employ bilingual personnel to serve such applicants or recipients.

(3) Regardless of the applicant or recipient caseload of any community service office, each community service office shall ensure that bilingual services required to supplement the community service office staff are provided through contracts with language access providers, local agencies, or other community resources.

(4) The department shall certify, authorize, and qualify language access providers as needed to maintain an adequate pool of providers.

(5) The department shall require compliance with RCW 41.56.113(2) through its contracts with third parties.

(6) Initial client contact materials shall inform clients in all primary languages of the availability of interpretation services for non-English speaking persons. Basic informational pamphlets shall be translated into all primary languages.

(7) To the extent all written communications directed to applicants or recipients are not in the primary language of the applicant or recipient, the department and the office of administrative hearings shall include with the written communication a notice in all primary languages of applicants or recipients describing the significance of the communication and specifically how the applicants or recipients may receive assistance in understanding, and responding to if necessary, the written communication. The department shall assure that sufficient resources are available to assist applicants and recipients in

a timely fashion with understanding, responding to, and complying with the requirements of all such written communications.

(8) As used in this section:

(a) "Language access provider" means any independent contractor who provides spoken language interpreter services for department appointments or medicaid enrollee appointments, or provided these services on or after January 1, 2009, and before June 10, 2010, whether paid by a broker, language access agency, or the department. "Language access provider" does not mean an owner, manager, or employee of a broker or a language access agency.

(b) "Primary languages" includes but is not limited to Spanish, Vietnamese, Cambodian, Laotian, and Chinese.

Sec. 64. RCW 74.04.050 and 1981 1st ex.s. c 6 s 3 are each amended to read as follows:

(1) The department ~~((shall serve))~~ is designated as the single state agency to administer the following public assistance~~((The department is hereby empowered and authorized to cooperate in the administration of such federal laws, consistent with the public assistance laws of this state, as may be necessary to qualify for federal funds for:~~

(1) Medical assistance;

(2) Aid to dependent children;

(3)) programs:

(a) Temporary assistance to needy families;

(b) Child welfare services; and

~~((4)) (c) Any other programs of public assistance for which provision for federal grants or funds may from time to time be made, except as otherwise provided by law.~~

(2) The authority is hereby designated as the single state agency to administer the medical services programs established under chapter 74.09 RCW, including the state children's health insurance program, Titles XIX and XXI of the federal social security act of 1935, as amended.

(3) The department and the authority are hereby empowered and authorized to cooperate in the administration of such federal laws, consistent with the public assistance laws of this state, as may be necessary to qualify for federal funds.

(4) The state hereby accepts and assents to all the present provisions of the federal law under which federal grants or funds, goods, commodities, and services are extended to the state for the support of programs ~~((administered by the department))~~ referenced in this section, and to such additional legislation as may subsequently be enacted as is not inconsistent with the purposes of this title, authorizing public welfare and assistance activities. The provisions of this title shall be so administered as to conform with federal requirements with respect to eligibility for the receipt of federal grants or funds.

(5) The department and the authority shall periodically make application for federal grants or funds and submit such plans, reports and data, as are required by any act of congress as a condition precedent to the receipt of federal funds for such assistance. The department and the authority shall make and enforce such rules and regulations as shall be necessary to insure compliance with the terms and conditions of such federal grants or funds.

Sec. 65. RCW 74.04.055 and 1991 c 126 s 2 are each amended to read as follows:

In furtherance of the policy of this state to cooperate with the federal government in the programs included in this title the secretary or director, as appropriate, shall issue such rules and regulations as may become necessary to entitle this state to participate in federal grants-in-aid, goods, commodities and services unless the same be expressly prohibited by this title. Any section or provision of this title which may be susceptible to more than one construction shall be interpreted in favor of the construction most likely to satisfy federal laws entitling this state to receive federal matching or other funds for the various programs of public assistance. If any part of this chapter is found to be in conflict with federal requirements which are a prescribed condition to the receipts of federal funds to the state, the conflicting part of this chapter is hereby inoperative solely to the extent of the conflict with respect to the agencies directly affected, and such finding or determination shall not affect the operation of the remainder of this chapter.

Sec. 66. RCW 74.04.060 and 2006 c 259 s 5 are each amended to read as follows:

(1)(a) For the protection of applicants and recipients, the department, the authority, and the county offices and their respective officers and employees are prohibited, except as hereinafter provided, from disclosing the contents of any records, files, papers and communications, except for purposes directly connected with the administration of the programs of this title. In any judicial proceeding, except such proceeding as is directly concerned with the administration of these programs, such records, files, papers and communications, and their contents, shall be deemed privileged communications and except for the right of any individual to inquire of the office whether a named individual is a recipient of welfare assistance and such person shall be entitled to an affirmative or negative answer.

(b) Upon written request of a parent who has been awarded visitation rights in an action for divorce or separation or any parent with legal custody of the child, the department shall disclose to him or her the last known address and location of his or her natural or adopted children. The secretary shall adopt rules which establish procedures for disclosing the address of the children and providing, when appropriate, for prior notice to the custodian of the children. The notice shall state that a request for disclosure has been received and will be complied with by the department unless the department receives a copy of a court order which enjoins the disclosure of the information or restricts or limits the requesting party's right to contact or visit the other party or the child. Information supplied to a parent by the department shall be used only for purposes directly related to the enforcement of the visitation and custody provisions of the court order of separation or decree of divorce. No parent shall disclose such information to any other person except for the purpose of enforcing visitation provisions of the said order or decree.

(c) The department shall review methods to improve the protection and confidentiality of information for recipients of welfare assistance who have disclosed to the department that they are past or current victims of domestic violence or stalking.

(2) The county offices shall maintain monthly at their offices a report showing the names and addresses of all recipients in the county receiving public assistance under this title, together with the amount paid to each during the preceding month.

(3) The provisions of this section shall not apply to duly designated representatives of approved private welfare agencies, public officials, members of legislative interim committees and advisory committees when performing duties directly connected with the administration of this title, such as regulation and investigation directly connected therewith: PROVIDED, HOWEVER, That any information so obtained by such persons or groups shall be treated with such degree of confidentiality as is required by the federal social security law.

(4) It shall be unlawful, except as provided in this section, for any person, body, association, firm, corporation or other agency to solicit, publish, disclose, receive, make use of, or to authorize, knowingly permit, participate in or acquiesce in the use of any lists or names for commercial or political purposes of any nature. The violation of this section shall be a gross misdemeanor.

Sec. 67. RCW 74.04.062 and 1997 c 58 s 1006 are each amended to read as follows:

Upon written request of a person who has been properly identified as an officer of the law or a properly identified United States immigration official the department or authority shall disclose to such officer the current address and location of a recipient of public welfare if the officer furnishes the department or authority with such person's name and social security account number and satisfactorily demonstrates that such recipient is a fugitive, that the location or apprehension of such fugitive is within the officer's official duties, and that the request is made in the proper exercise of those duties.

When the department or authority becomes aware that a public assistance recipient is the subject of an outstanding warrant, the department or authority may contact the appropriate law enforcement agency and, if the warrant is valid, provide the law enforcement agency with the location of the recipient.

Sec. 68. RCW 74.04.290 and 1983 1st ex.s. c 41 s 22 are each amended to read as follows:

In carrying out any of the provisions of this title, the secretary, the director, county administrators, hearing examiners, or other duly authorized officers of the department or authority shall have power to subpoena witnesses, administer oaths, take testimony and compel the production of such papers, books, records and documents as they may deem relevant to the performance of their duties. Subpoenas issued under this power shall be under RCW 43.20A.605.

Sec. 69. RCW 7.68.080 and 1990 c 3 s 503 are each amended to read as follows:

The provisions of chapter 51.36 RCW as now or hereafter amended govern the provision of medical aid under this chapter to victims injured as a result of a criminal act, including criminal acts committed between July 1, 1981, and January 1, 1983, except that:

(1) The provisions contained in RCW 51.36.030, 51.36.040, and 51.36.080 as now or hereafter amended do not apply to this chapter;

(2) The specific provisions of RCW 51.36.020 as now or hereafter amended relating to supplying emergency transportation do not apply: PROVIDED, That:

(a) When the injury to any victim is so serious as to require the victim's being taken from the place of injury to a place of treatment, reasonable transportation costs to the nearest place of proper treatment shall be reimbursed from the fund established pursuant to RCW 7.68.090; and

(b) In the case of alleged rape or molestation of a child the reasonable costs of a colposcope examination shall be reimbursed from the fund pursuant to RCW 7.68.090. Hospital, clinic, and medical charges along with all related fees under this chapter shall conform to regulations promulgated by the director. The director shall set these service levels and fees at a level no lower than those established by the ~~((department of social and health services))~~ health care authority under Title 74 RCW. In establishing fees for medical and other health care services, the director shall consider the director's duty to purchase health care in a prudent, cost-effective manner. The director shall establish rules adopted in accordance with chapter 34.05 RCW. Nothing in this chapter may be construed to require the payment of interest on any billing, fee, or charge.

Sec. 70. RCW 43.41.160 and 1986 c 303 s 11 are each amended to read as follows:

(1) It is the purpose of this section to ensure implementation and coordination of chapter 70.14 RCW as well as other legislative and executive policies designed to contain the cost of health care that is purchased or provided by the state. In order to achieve that purpose, the director may:

(a) Establish within the ~~((office of financial management))~~ health care authority a health care cost containment program in cooperation with all state agencies;

(b) Implement lawful health care cost containment policies that have been adopted by the legislature or the governor, including appropriation provisos;

(c) Coordinate the activities of all state agencies with respect to health care cost containment policies;

(d) Study and make recommendations on health care cost containment policies;

(e) Monitor and report on the implementation of health care cost containment policies;

(f) Appoint a health care cost containment technical advisory committee that represents state agencies that are involved in the direct purchase, funding, or provision of health care; and

(g) Engage in other activities necessary to achieve the purposes of this section.

(2) All state agencies shall cooperate with the director in carrying out the purpose of this section.

Sec. 71. RCW 43.41.260 and 2009 c 479 s 28 are each amended to read as follows:

The health care authority~~((;))~~ and the office of financial management~~((and the department of social and health services))~~ shall together monitor the enrollee level in the basic health plan and the medicaid caseload of children. The office of financial management shall adjust the funding levels by interagency reimbursement of funds between the basic health plan and medicaid and adjust the funding levels ~~((between))~~ for the health care authority ~~((and the medical~~

~~assistance administration of the department of social and health services))~~ to maximize combined enrollment.

Sec. 72. RCW 43.70.670 and 2007 c 259 s 38 are each amended to read as follows:

(1) "Human immunodeficiency virus insurance program," as used in this section, means a program that provides health insurance coverage for individuals with human immunodeficiency virus, as defined in RCW 70.24.017(7), who are not eligible for medical assistance programs from the ~~((department of social and health services))~~ health care authority as defined in RCW 74.09.010~~((8))~~ (10) and meet eligibility requirements established by the department of health.

(2) The department of health may pay for health insurance coverage on behalf of persons with human immunodeficiency virus, who meet department eligibility requirements, and who are eligible for "continuation coverage" as provided by the federal consolidated omnibus budget reconciliation act of 1985, group health insurance policies, or individual policies.

Sec. 73. RCW 47.06B.020 and 2011 c 60 s 45 are each amended to read as follows:

(1) The agency council on coordinated transportation is created. The purpose of the council is to advance and improve accessibility to and coordination of special needs transportation services statewide. The council is composed of fourteen voting members and four nonvoting, legislative members.

(2) The fourteen voting members are the superintendent of public instruction or a designee, the secretary of transportation or a designee, the ~~((secretary of the department of social and health services))~~ director of the health care authority or a designee, and eleven members appointed by the governor as follows:

- (a) One representative from the office of the governor;
- (b) Three persons who are consumers of special needs transportation services, which must include:
 - (i) One person designated by the executive director of the governor's committee on disability issues and employment; and
 - (ii) One person who is designated by the executive director of the developmental disabilities council;
- (c) One representative from the Washington association of pupil transportation;
- (d) One representative from the Washington state transit association;
- (e) One of the following:
 - (i) A representative from the community transportation association of the Northwest; or
 - (ii) A representative from the community action council association;
- (f) One person who represents regional transportation planning organizations and metropolitan planning organizations;
- (g) One representative of brokers who provide nonemergency, medically necessary trips to persons with special transportation needs under the medicaid program administered by the ~~((department of social and health services))~~ health care authority;
- (h) One representative from the Washington state department of veterans affairs; and

- (i) One representative of the state association of counties.
- (3) The four nonvoting members are legislators as follows:
 - (a) Two members from the house of representatives, one from each of the two largest caucuses, appointed by the speaker of the house of representatives, including at least one member from the house transportation policy and budget committee or the house appropriations committee; and
 - (b) Two members from the senate, one from each of the two largest caucuses, appointed by the president of the senate, including at least one member from the senate transportation committee or the senate ways and means committee.
- (4) Gubernatorial appointees of the council will serve two-year terms. Members may not receive compensation for their service on the council, but will be reimbursed for actual and necessary expenses incurred in performing their duties as members as set forth in RCW 43.03.220.
- (5) The council shall vote on an annual basis to elect one of its voting members to serve as chair. The position of chair must rotate among the represented agencies, associations, and interest groups at least every two years. If the position of chair is vacated for any reason, the secretary of transportation or the secretary's designee shall serve as acting chair until the next regular meeting of the council, at which time the members will elect a chair.
- (6) The council shall periodically assess its membership to ensure that there exists a balanced representation of persons with special transportation needs and providers of special transportation needs services. Recommendations for modifying the membership of the council must be included in the council's biennial report to the legislature as provided in RCW 47.06B.050.
- (7) The department of transportation shall provide necessary staff support for the council.
- (8) The council may receive gifts, grants, or endowments from public or private sources that are made from time to time, in trust or otherwise, for the use and benefit of the purposes of the council and spend gifts, grants, or endowments or income from the public or private sources according to their terms, unless the receipt of the gifts, grants, or endowments violates RCW 42.17A.560.
- (9) The meetings of the council must be open to the public, with the agenda published in advance, and minutes kept and made available to the public. The public notice of the meetings must indicate that accommodations for persons with disabilities will be made available upon request.
- (10) All meetings of the council must be held in locations that are readily accessible to public transportation, and must be scheduled for times when public transportation is available.
- (11) The council shall make an effort to include presentations by and work sessions including persons with special transportation needs.

Sec. 74. RCW 47.06B.060 and 2009 c 515 s 1 are each amended to read as follows:

- (1) In 2007, the legislature directed the joint transportation committee to conduct a study of special needs transportation to examine and evaluate the effectiveness of special needs transportation in the state. A particular goal of the study was to explore opportunities to enhance coordination of special needs transportation programs to ensure that they are delivered efficiently and result in improved access and increased mobility options for their clients. It is the intent

of the legislature to further consider some of the recommendations, and to implement many of these recommendations in the form of two pilot projects that will test the potential for applying these recommendations statewide in the future.

(2) The legislature is aware that the department of social and health services submitted an application in December of 2008 to the federal centers for medicare and medicaid services, seeking approval to use the medical match system, a federal funding system that has different requirements from the federal administrative match system currently used by the department. It is the intent of the legislature to advance the goals of chapter 515, Laws of 2009 and the recommendations of the study identified in subsection (1) of this section without jeopardizing the application made by the department.

(3) By August 15, 2009, the agency council on coordinated transportation shall appoint a work group for the purpose of identifying relevant federal requirements related to special needs transportation, and identifying solutions to streamline the requirements and increase efficiencies in transportation services provided for persons with special transportation needs. To advance its purpose, the work group shall work with relevant federal representatives and agencies to identify and address various challenges and barriers.

(4) Membership of the work group must include, but not be limited to, one or more representatives from:

(a) The departments of transportation, veterans affairs, health, and ~~((social and health services))~~ the health care authority;

(b) Medicaid nonemergency medical transportation brokers;

(c) Public transit agencies;

(d) Regional and metropolitan transportation planning organizations, including a representative of the regional transportation planning organization or organizations that provide staff support to the local coordinating coalition established under RCW 47.06B.070;

(e) Indian tribes;

(f) The agency council on coordinated transportation;

(g) The local coordinating coalitions established under RCW 47.06B.070; and

(h) The office of the superintendent of public instruction.

(5) The work group shall elect one or more of its members to service as chair or cochairs.

(6) The work group shall immediately contact representatives of the federal congressional delegation for Washington state and the relevant federal agencies and coordinating authorities including, but not limited to, the federal transit administration, the United States department of health and human services, and the interagency transportation coordinating council on access and mobility, and invite the federal representatives to work collaboratively to:

(a) Identify transportation definitions and terminology used in the various relevant state and federal programs, and establish consistent transportation definitions and terminology. For purposes of this subsection, relevant state definitions exclude terminology that requires a medical determination, including whether a trip or service is medically necessary;

(b) Identify restrictions or barriers that preclude federal, state, and local agencies from sharing client lists or other client information, and make progress towards removing any restrictions or barriers;

(c) Identify relevant state and federal performance and cost reporting systems and requirements, and work towards establishing consistent and uniform performance and cost reporting systems and requirements; and

(d) Explore, subject to federal approval, opportunities to test cost allocation models, including the pilot projects established in RCW 47.06B.080, that:

(i) Allow for cost sharing among public paratransit and medicaid nonemergency medical trips; and

(ii) Capture the value of medicaid trips provided by public transit agencies for which they are not currently reimbursed with a funding match by federal medicaid dollars.

(7) By December 1, 2009, the work group shall submit a report to the joint transportation committee that explains the progress made towards the goals of this section and identifies any necessary legislative action that must be taken to implement all the provisions of this section. A second progress report must be submitted to the joint transportation committee by June 1, 2010, and a final report must be submitted to the joint transportation committee by December 1, 2010.

Sec. 75. RCW 47.06B.070 and 2009 c 515 s 9 are each amended to read as follows:

(1) A local coordinating coalition is created in each nonemergency medical transportation brokerage region, as designated by the (~~department of social and health services~~) health care authority, that encompasses:

(a) A single county that has a population of more than seven hundred fifty thousand but less than one million; and

(b) Five counties, and is comprised of at least one county that has a population of more than four hundred thousand.

(2) The purpose of a local coordinating coalition is to advance local efforts to coordinate and maximize efficiencies in special needs transportation programs and services, contributing to the overall objectives and goals of the agency council on coordinated transportation. The local coordinating coalition shall serve in an advisory capacity to the agency council on coordinated transportation by providing the council with a focused and ongoing assessment of the special transportation needs and services provided within its region.

(3) The composition and size of each local coordinating coalition may vary by region. Local coordinating coalition members, appointed by the chair of the agency council on coordinated transportation to two-year terms, must reflect a balanced representation of the region's providers of special needs transportation services and must include:

(a) Members of existing local coordinating coalitions, with approval by those members;

(b) One or more representatives of the public transit agency or agencies serving the region;

(c) One or more representatives of private service providers;

(d) A representative of civic or community-based service providers;

(e) A consumer of special needs transportation services;

- (f) A representative of nonemergency medical transportation medicaid brokers;
- (g) A representative of social and human service programs;
- (h) A representative of local high school districts; and
- (i) A representative from the Washington state department of veterans affairs.

(4) Each coalition shall vote on an annual basis to elect one of its members to serve as chair. The position of chair must rotate among the represented members at least every two years. If the position of chair is vacated for any reason, the member representing the regional transportation planning organization described in subsection (6) of this section shall serve as acting chair until the next regular meeting of the coalition, at which time the members will elect a chair.

(5) Regular meetings of the local coordinating coalition may be convened at the call of the chair or by a majority of the members. Meetings must be open to the public, and held in locations that are readily accessible to public transportation.

(6) The regional transportation planning organization, as described in chapter 47.80 RCW, serving the region in which the local coordinating coalition is created shall provide necessary staff support for the local coordinating coalition. In regions served by more than one regional transportation planning organization, unless otherwise agreed to by the relevant planning organizations, the regional transportation planning organization serving the largest population within the region shall provide the necessary staff support.

Sec. 76. RCW 48.01.235 and 2003 c 248 s 2 are each amended to read as follows:

(1) An issuer and an employee welfare benefit plan, whether insured or self funded, as defined in the employee retirement income security act of 1974, 29 U.S.C. Sec. 1101 et seq. may not deny enrollment of a child under the health plan of the child's parent on the grounds that:

- (a) The child was born out of wedlock;
- (b) The child is not claimed as a dependent on the parent's federal tax return;

or

(c) The child does not reside with the parent or in the issuer's, or insured or self funded employee welfare benefit plan's service area.

(2) Where a child has health coverage through an issuer, or an insured or self funded employee welfare benefit plan of a noncustodial parent, the issuer, or insured or self funded employee welfare benefit plan, shall:

(a) Provide such information to the custodial parent as may be necessary for the child to obtain benefits through that coverage;

(b) Permit the provider or the custodial parent to submit claims for covered services without the approval of the noncustodial parent. If the provider submits the claim, the provider will obtain the custodial parent's assignment of insurance benefits or otherwise secure the custodial parent's approval.

For purposes of this subsection the ~~((department of social and health services))~~ health care authority as the state medicaid agency under RCW 74.09.500 may reassign medical insurance rights to the provider for custodial parents whose children are eligible for services under RCW 74.09.500; and

(c) Make payments on claims submitted in accordance with (b) of this subsection directly to the custodial parent, to the provider, or to the ~~((department of social and health services))~~ health care authority as the state medicaid agency under RCW 74.09.500.

(3) Where a child does not reside in the issuer's service area, an issuer shall cover no less than urgent and emergent care. Where the issuer offers broader coverage, whether by policy or reciprocal agreement, the issuer shall provide such coverage to any child otherwise covered that does not reside in the issuer's service area.

(4) Where a parent is required by a court order to provide health coverage for a child, and the parent is eligible for family health coverage, the issuer, or insured or self funded employee welfare benefit plan, shall:

(a) Permit the parent to enroll, under the family coverage, a child who is otherwise eligible for the coverage without regard to any enrollment season restrictions;

(b) Enroll the child under family coverage upon application of the child's other parent, ~~((department of social and health services))~~ health care authority as the state medicaid agency under RCW 74.09.500, or child support enforcement program, if the parent is enrolled but fails to make application to obtain coverage for such child; and

(c) Not disenroll, or eliminate coverage of, such child who is otherwise eligible for the coverage unless the issuer or insured or self funded employee welfare benefit plan is provided satisfactory written evidence that:

(i) The court order is no longer in effect; or

(ii) The child is or will be enrolled in comparable health coverage through another issuer, or insured or self funded employee welfare benefit plan, which will take effect not later than the effective date of disenrollment.

(5) An issuer, or insured or self funded employee welfare benefit plan, that has been assigned the rights of an individual eligible for medical assistance under medicaid and coverage for health benefits from the issuer, or insured or self funded employee welfare benefit plan, may not impose requirements on the ~~((department of social and health services))~~ health care authority that are different from requirements applicable to an agent or assignee of any other individual so covered.

Sec. 77. RCW 48.43.008 and 2007 c 259 s 24 are each amended to read as follows:

When the ~~((department of social and health services))~~ health care authority determines that it is cost-effective to enroll a person eligible for medical assistance under chapter 74.09 RCW in an employer-sponsored health plan, a carrier shall permit the enrollment of the person in the health plan for which he or she is otherwise eligible without regard to any open enrollment period restrictions.

Sec. 78. RCW 48.43.517 and 2007 c 5 s 7 are each amended to read as follows:

When the ~~((department of social and health services))~~ health care authority has determined that it is cost-effective to enroll a child participating in a medical assistance program under chapter 74.09 RCW in an employer-sponsored health plan, the carrier shall permit the enrollment of the participant who is otherwise

eligible for coverage in the health plan without regard to any open enrollment restrictions. The request for special enrollment shall be made by the ~~((department))~~ authority or participant within sixty days of the ~~((department's))~~ authority's determination that the enrollment would be cost-effective.

Sec. 79. RCW 69.41.030 and 2010 c 83 s 1 are each amended to read as follows:

(1) It shall be unlawful for any person to sell, deliver, or possess any legend drug except upon the order or prescription of a physician under chapter 18.71 RCW, an osteopathic physician and surgeon under chapter 18.57 RCW, an optometrist licensed under chapter 18.53 RCW who is certified by the optometry board under RCW 18.53.010, a dentist under chapter 18.32 RCW, a podiatric physician and surgeon under chapter 18.22 RCW, a veterinarian under chapter 18.92 RCW, a commissioned medical or dental officer in the United States armed forces or public health service in the discharge of his or her official duties, a duly licensed physician or dentist employed by the veterans administration in the discharge of his or her official duties, a registered nurse or advanced registered nurse practitioner under chapter 18.79 RCW when authorized by the nursing care quality assurance commission, an osteopathic physician assistant under chapter 18.57A RCW when authorized by the board of osteopathic medicine and surgery, a physician assistant under chapter 18.71A RCW when authorized by the medical quality assurance commission, or any of the following professionals in any province of Canada that shares a common border with the state of Washington or in any state of the United States: A physician licensed to practice medicine and surgery or a physician licensed to practice osteopathic medicine and surgery, a dentist licensed to practice dentistry, a podiatric physician and surgeon licensed to practice podiatric medicine and surgery, a licensed advanced registered nurse practitioner, or a veterinarian licensed to practice veterinary medicine: PROVIDED, HOWEVER, That the above provisions shall not apply to sale, delivery, or possession by drug wholesalers or drug manufacturers, or their agents or employees, or to any practitioner acting within the scope of his or her license, or to a common or contract carrier or warehouseman, or any employee thereof, whose possession of any legend drug is in the usual course of business or employment: PROVIDED FURTHER, That nothing in this chapter or chapter 18.64 RCW shall prevent a family planning clinic that is under contract with the ~~((department of social and health services))~~ health care authority from selling, delivering, possessing, and dispensing commercially prepackaged oral contraceptives prescribed by authorized, licensed health care practitioners.

(2)(a) A violation of this section involving the sale, delivery, or possession with intent to sell or deliver is a class B felony punishable according to chapter 9A.20 RCW.

(b) A violation of this section involving possession is a misdemeanor.

Sec. 80. RCW 69.41.190 and 2009 c 575 s 1 are each amended to read as follows:

(1)(a) Except as provided in subsection (2) of this section, any pharmacist filling a prescription under a state purchased health care program as defined in RCW 41.05.011(2) shall substitute, where identified, a preferred drug for any nonpreferred drug in a given therapeutic class, unless the endorsing practitioner

has indicated on the prescription that the nonpreferred drug must be dispensed as written, or the prescription is for a refill of an antipsychotic, antidepressant, antiepileptic, chemotherapy, antiretroviral, or immunosuppressive drug, or for the refill of a immunomodulator/antiviral treatment for hepatitis C for which an established, fixed duration of therapy is prescribed for at least twenty-four weeks but no more than forty-eight weeks, in which case the pharmacist shall dispense the prescribed nonpreferred drug.

(b) When a substitution is made under (a) of this subsection, the dispensing pharmacist shall notify the prescribing practitioner of the specific drug and dose dispensed.

(2)(a) A state purchased health care program may impose limited restrictions on an endorsing practitioner's authority to write a prescription to dispense as written only under the following circumstances:

(i) There is statistical or clear data demonstrating the endorsing practitioner's frequency of prescribing dispensed as written for nonpreferred drugs varies significantly from the prescribing patterns of his or her peers;

(ii) The medical director of a state purchased health program has: (A) Presented the endorsing practitioner with data that indicates the endorsing practitioner's prescribing patterns vary significantly from his or her peers, (B) provided the endorsing practitioner an opportunity to explain the variation in his or her prescribing patterns to those of his or her peers, and (C) if the variation in prescribing patterns cannot be explained, provided the endorsing practitioner sufficient time to change his or her prescribing patterns to align with those of his or her peers; and

(iii) The restrictions imposed under (a) of this subsection (2) must be limited to the extent possible to reduce variation in prescribing patterns and shall remain in effect only until such time as the endorsing practitioner can demonstrate a reduction in variation in line with his or her peers.

(b) A state purchased health care program may immediately designate an available, less expensive, equally effective generic product in a previously reviewed drug class as a preferred drug, without first submitting the product to review by the pharmacy and therapeutics committee established pursuant to RCW 70.14.050.

(c) For a patient's first course of treatment within a therapeutic class of drugs, a state purchased health care program may impose limited restrictions on endorsing practitioners' authority to write a prescription to dispense as written, only under the following circumstances:

(i) There is a less expensive, equally effective therapeutic alternative generic product available to treat the condition;

(ii) The drug use review board established under WAC 388-530-4000 reviews and provides recommendations as to the appropriateness of the limitation;

(iii) Notwithstanding the limitation set forth in (c)(ii) of this subsection (2), the endorsing practitioner shall have an opportunity to request as medically necessary, that the brand name drug be prescribed as the first course of treatment;

(iv) The state purchased health care program may provide, where available, prescription, emergency room, diagnosis, and hospitalization history with the endorsing practitioner; and

(v) Specifically for antipsychotic restrictions, the state purchased health care program shall effectively guide good practice without interfering with the timeliness of clinical decision making. ~~((Department of social and health services))~~ Health care authority prior authorization programs must provide for responses within twenty-four hours and at least a seventy-two hour emergency supply of the requested drug.

(d) If, within a therapeutic class, there is an equally effective therapeutic alternative over-the-counter drug available, a state purchased health care program may designate the over-the-counter drug as the preferred drug.

(e) A state purchased health care program may impose limited restrictions on endorsing practitioners' authority to prescribe pharmaceuticals to be dispensed as written for a purpose outside the scope of their approved labels only under the following circumstances:

(i) There is a less expensive, equally effective on-label product available to treat the condition;

(ii) The drug use review board established under WAC 388-530-4000 reviews and provides recommendations as to the appropriateness of the limitation; and

(iii) Notwithstanding the limitation set forth in (e)(ii) of this subsection (2), the endorsing practitioner shall have an opportunity to request as medically necessary, that the drug be prescribed for a covered off-label purpose.

(f) The provisions of this subsection related to the definition of medically necessary, prior authorization procedures and patient appeal rights shall be implemented in a manner consistent with applicable federal and state law.

(3) Notwithstanding the limitations in subsection (2) of this section, for refills for an antipsychotic, antidepressant, antiepileptic, chemotherapy, antiretroviral, or immunosuppressive drug, or for the refill of an immunomodulator antiviral treatment for hepatitis C for which an established, fixed duration of therapy is prescribed for at least twenty-four weeks by no more than forty-eight weeks, the pharmacist shall dispense the prescribed nonpreferred drug.

Sec. 81. RCW 70.01.010 and 2011 c 27 s 3 are each amended to read as follows:

In furtherance of the policy of this state to cooperate with the federal government in the public health programs, the department of health ~~((and))~~, the state board of health, and the health care authority shall adopt such rules as may become necessary to entitle this state to participate in federal funds unless expressly prohibited by law. Any section or provision of the public health laws of this state which may be susceptible to more than one construction shall be interpreted in favor of the construction most likely to satisfy federal laws entitling this state to receive federal funds for the various programs of public health.

Sec. 82. RCW 70.47.010 and 2009 c 568 s 1 are each amended to read as follows:

(1)(a) The legislature finds that limitations on access to health care services for enrollees in the state, such as in rural and underserved areas, are particularly challenging for the basic health plan. Statutory restrictions have reduced the options available to the ~~((administrator))~~ director to address the access needs of

basic health plan enrollees. It is the intent of the legislature to authorize the ~~((administrator))~~ director to develop alternative purchasing strategies to ensure access to basic health plan enrollees in all areas of the state, including: (i) The use of differential rating for managed health care systems based on geographic differences in costs; and (ii) limited use of self-insurance in areas where adequate access cannot be assured through other options.

(b) In developing alternative purchasing strategies to address health care access needs, the ~~((administrator))~~ director shall consult with interested persons including health carriers, health care providers, and health facilities, and with other appropriate state agencies including the office of the insurance commissioner and the office of community and rural health. In pursuing such alternatives, the ~~((administrator))~~ director shall continue to give priority to prepaid managed care as the preferred method of assuring access to basic health plan enrollees followed, in priority order, by preferred providers, fee for service, and self-funding.

(2) The legislature further finds that:

(a) A significant percentage of the population of this state does not have reasonably available insurance or other coverage of the costs of necessary basic health care services;

(b) This lack of basic health care coverage is detrimental to the health of the individuals lacking coverage and to the public welfare, and results in substantial expenditures for emergency and remedial health care, often at the expense of health care providers, health care facilities, and all purchasers of health care, including the state; and

(c) The use of managed health care systems has significant potential to reduce the growth of health care costs incurred by the people of this state generally, and by low-income pregnant women, and at-risk children and adolescents who need greater access to managed health care.

(3) The purpose of this chapter is to provide or make more readily available necessary basic health care services in an appropriate setting to working persons and others who lack coverage, at a cost to these persons that does not create barriers to the utilization of necessary health care services. To that end, this chapter establishes a program to be made available to those residents not eligible for medicare who share in a portion of the cost or who pay the full cost of receiving basic health care services from a managed health care system.

(4) It is not the intent of this chapter to provide health care services for those persons who are presently covered through private employer-based health plans, nor to replace employer-based health plans. However, the legislature recognizes that cost-effective and affordable health plans may not always be available to small business employers. Further, it is the intent of the legislature to expand, wherever possible, the availability of private health care coverage and to discourage the decline of employer-based coverage.

(5)(a) It is the purpose of this chapter to acknowledge the initial success of this program that has (i) assisted thousands of families in their search for affordable health care; (ii) demonstrated that low-income, uninsured families are willing to pay for their own health care coverage to the extent of their ability to pay; and (iii) proved that local health care providers are willing to enter into a public-private partnership as a managed care system.

(b) As a consequence, the legislature intends to extend an option to enroll to certain citizens above two hundred percent of the federal poverty guidelines within the state who reside in communities where the plan is operational and who collectively or individually wish to exercise the opportunity to purchase health care coverage through the basic health plan if the purchase is done at no cost to the state. It is also the intent of the legislature to allow employers and other financial sponsors to financially assist such individuals to purchase health care through the program so long as such purchase does not result in a lower standard of coverage for employees.

(c) The legislature intends that, to the extent of available funds, the program be available throughout Washington state to subsidized and nonsubsidized enrollees. It is also the intent of the legislature to enroll subsidized enrollees first, to the maximum extent feasible.

(d) The legislature directs that the basic health plan (~~(administrator)~~) director identify enrollees who are likely to be eligible for medical assistance and assist these individuals in applying for and receiving medical assistance. (~~The administrator and the department of social and health services shall implement a seamless system to coordinate eligibility determinations and benefit coverage for enrollees of the basic health plan and medical assistance recipients.~~) Enrollees receiving medical assistance are not eligible for the Washington basic health plan.

Sec. 83. RCW 70.47.020 and 2011 c 205 s 1 are each amended to read as follows:

As used in this chapter:

(1) (~~"Administrator" means the Washington basic health plan administrator, who also holds the position of administrator.~~) "Director" means the director of the Washington state health care authority.

(2) "Health coverage tax credit eligible enrollee" means individual workers and their qualified family members who lose their jobs due to the effects of international trade and are eligible for certain trade adjustment assistance benefits; or are eligible for benefits under the alternative trade adjustment assistance program; or are people who receive benefits from the pension benefit guaranty corporation and are at least fifty-five years old.

(3) "Health coverage tax credit program" means the program created by the Trade Act of 2002 (P.L. 107-210) that provides a federal tax credit that subsidizes private health insurance coverage for displaced workers certified to receive certain trade adjustment assistance benefits and for individuals receiving benefits from the pension benefit guaranty corporation.

(4) "Managed health care system" means: (a) Any health care organization, including health care providers, insurers, health care service contractors, health maintenance organizations, or any combination thereof, that provides directly or by contract basic health care services, as defined by the (~~administrator~~) director and rendered by duly licensed providers, to a defined patient population enrolled in the plan and in the managed health care system; or (b) a self-funded or self-insured method of providing insurance coverage to subsidized enrollees provided under RCW 41.05.140 and subject to the limitations under RCW 70.47.100(7).

(5) "Nonsubsidized enrollee" means an individual, or an individual plus the individual's spouse or dependent children: (a) Who is not eligible for medicare;

(b) who is not confined or residing in a government-operated institution, unless he or she meets eligibility criteria adopted by the ~~((administrator))~~ director; (c) who is accepted for enrollment by the ~~((administrator))~~ director as provided in RCW 48.43.018, either because the potential enrollee cannot be required to complete the standard health questionnaire under RCW 48.43.018, or, based upon the results of the standard health questionnaire, the potential enrollee would not qualify for coverage under the Washington state health insurance pool; (d) who resides in an area of the state served by a managed health care system participating in the plan; (e) who chooses to obtain basic health care coverage from a particular managed health care system; and (f) who pays or on whose behalf is paid the full costs for participation in the plan, without any subsidy from the plan.

(6) "Premium" means a periodic payment, which an individual, their employer or another financial sponsor makes to the plan as consideration for enrollment in the plan as a subsidized enrollee, a nonsubsidized enrollee, or a health coverage tax credit eligible enrollee.

(7) "Rate" means the amount, negotiated by the ~~((administrator))~~ director with and paid to a participating managed health care system, that is based upon the enrollment of subsidized, nonsubsidized, and health coverage tax credit eligible enrollees in the plan and in that system.

(8) "Subsidy" means the difference between the amount of periodic payment the ~~((administrator))~~ director makes to a managed health care system on behalf of a subsidized enrollee plus the administrative cost to the plan of providing the plan to that subsidized enrollee, and the amount determined to be the subsidized enrollee's responsibility under RCW 70.47.060(2).

(9) "Subsidized enrollee" means:

(a) An individual, or an individual plus the individual's spouse or dependent children:

(i) Who is not eligible for medicare;

(ii) Who is not confined or residing in a government-operated institution, unless he or she meets eligibility criteria adopted by the ~~((administrator))~~ director;

(iii) Who is not a full-time student who has received a temporary visa to study in the United States;

(iv) Who resides in an area of the state served by a managed health care system participating in the plan;

(v) Until March 1, 2011, whose gross family income at the time of enrollment does not exceed two hundred percent of the federal poverty level as adjusted for family size and determined annually by the federal department of health and human services;

(vi) Who chooses to obtain basic health care coverage from a particular managed health care system in return for periodic payments to the plan;

(vii) Who is not receiving medical assistance administered by the ~~((department of social and health services))~~ authority; and

(viii) After February 28, 2011, who is in the basic health transition eligibles population under 1115 medicaid demonstration project number 11-W-00254/10;

(b) An individual who meets the requirements in (a)(i) through (iv), (vi), and (vii) of this subsection and who is a foster parent licensed under chapter 74.15 RCW and whose gross family income at the time of enrollment does not

exceed three hundred percent of the federal poverty level as adjusted for family size and determined annually by the federal department of health and human services; and

(c) To the extent that state funds are specifically appropriated for this purpose, with a corresponding federal match, an individual, or an individual's spouse or dependent children, who meets the requirements in (a)(i) through (iv), (vi), and (vii) of this subsection and whose gross family income at the time of enrollment is more than two hundred percent, but less than two hundred fifty-one percent, of the federal poverty level as adjusted for family size and determined annually by the federal department of health and human services.

(10) "Washington basic health plan" or "plan" means the system of enrollment and payment for basic health care services, administered by the plan ~~((administrator))~~ director through participating managed health care systems, created by this chapter.

Sec. 84. RCW 70.47.110 and 1991 sp.s. c 4 s 3 are each amended to read as follows:

The ~~((department of social and health services))~~ health care authority may make payments to ~~((the administrator or to))~~ participating managed health care systems on behalf of any enrollee who is a recipient of medical care under chapter 74.09 RCW, at the maximum rate allowable for federal matching purposes under Title XIX of the social security act. Any enrollee on whose behalf the ~~((department of social and health services))~~ health care authority makes such payments may continue as an enrollee, making premium payments based on the enrollee's own income as determined under the sliding scale, after eligibility for coverage under chapter 74.09 RCW has ended, as long as the enrollee remains eligible under this chapter. Nothing in this section affects the right of any person eligible for coverage under chapter 74.09 RCW to receive the services offered to other persons under that chapter but not included in the schedule of basic health care services covered by the plan. The ~~((administrator))~~ director shall seek to determine which enrollees or prospective enrollees may be eligible for medical care under chapter 74.09 RCW and may require these individuals to complete the eligibility determination process under chapter 74.09 RCW prior to enrollment or continued participation in the plan. The ~~((administrator and the department of social and health services))~~ director shall ~~((cooperatively))~~ adopt procedures to facilitate the transition of plan enrollees and payments on their behalf between the plan and the programs established under chapter 74.09 RCW.

Sec. 85. RCW 70.48.130 and 1993 c 409 s 1 are each amended to read as follows:

(1) It is the intent of the legislature that all jail inmates receive appropriate and cost-effective emergency and necessary medical care. Governing units, the ~~((department of social and health services))~~ health care authority, and medical care providers shall cooperate to achieve the best rates consistent with adequate care.

(2) Payment for emergency or necessary health care shall be by the governing unit, except that the ~~((department of social and health services))~~ health care authority shall directly reimburse the provider pursuant to chapter 74.09 RCW, in accordance with the rates and benefits established by the

~~((department))~~ authority, if the confined person is eligible under the ~~((department's))~~ authority's medical care programs as authorized under chapter 74.09 RCW. After payment by the ~~((department))~~ authority, the financial responsibility for any remaining balance, including unpaid client liabilities that are a condition of eligibility or participation under chapter 74.09 RCW, shall be borne by the medical care provider and the governing unit as may be mutually agreed upon between the medical care provider and the governing unit. In the absence of mutual agreement between the medical care provider and the governing unit, the financial responsibility for any remaining balance shall be borne equally between the medical care provider and the governing unit. Total payments from all sources to providers for care rendered to confined persons eligible under chapter 74.09 RCW shall not exceed the amounts that would be paid by the ~~((department))~~ authority for similar services provided under Title XIX Medicaid, unless additional resources are obtained from the confined person.

(3) As part of the screening process upon booking or preparation of an inmate into jail, general information concerning the inmate's ability to pay for medical care shall be identified, including insurance or other medical benefits or resources to which an inmate is entitled. This information shall be made available to the ~~((department))~~ authority, the governing unit, and any provider of health care services.

(4) The governing unit or provider may obtain reimbursement from the confined person for the cost of health care services not provided under chapter 74.09 RCW, including reimbursement from any insurance program or from other medical benefit programs available to the confined person. Nothing in this chapter precludes civil or criminal remedies to recover the costs of medical care provided jail inmates or paid for on behalf of inmates by the governing unit. As part of a judgment and sentence, the courts are authorized to order defendants to repay all or part of the medical costs incurred by the governing unit or provider during confinement.

(5) To the extent that a confined person is unable to be financially responsible for medical care and is ineligible for the ~~((department's))~~ authority's medical care programs under chapter 74.09 RCW, or for coverage from private sources, and in the absence of an interlocal agreement or other contracts to the contrary, the governing unit may obtain reimbursement for the cost of such medical services from the unit of government whose law enforcement officers initiated the charges on which the person is being held in the jail: PROVIDED, That reimbursement for the cost of such services shall be by the state for state prisoners being held in a jail who are accused of either escaping from a state facility or of committing an offense in a state facility.

(6) There shall be no right of reimbursement to the governing unit from units of government whose law enforcement officers initiated the charges for which a person is being held in the jail for care provided after the charges are disposed of by sentencing or otherwise, unless by intergovernmental agreement pursuant to chapter 39.34 RCW.

(7) Under no circumstance shall necessary medical services be denied or delayed because of disputes over the cost of medical care or a determination of financial responsibility for payment of the costs of medical care provided to confined persons.

(8) Nothing in this section shall limit any existing right of any party, governing unit, or unit of government against the person receiving the care for the cost of the care provided.

Sec. 86. RCW 70.168.040 and 2010 c 161 s 1158 are each amended to read as follows:

The emergency medical services and trauma care system trust account is hereby created in the state treasury. Moneys shall be transferred to the emergency medical services and trauma care system trust account from the public safety education account or other sources as appropriated, and as collected under RCW 46.63.110(7) and 46.68.440. Disbursements shall be made by the department subject to legislative appropriation. Expenditures may be made only for the purposes of the state trauma care system under this chapter, including emergency medical services, trauma care services, rehabilitative services, and the planning and development of related services under this chapter and for reimbursement by the (~~department of social and health services~~) health care authority for trauma care services provided by designated trauma centers.

Sec. 87. RCW 70.225.040 and 2007 c 259 s 45 are each amended to read as follows:

(1) Prescription information submitted to the department shall be confidential, in compliance with chapter 70.02 RCW and federal health care information privacy requirements and not subject to disclosure, except as provided in subsections (3) and (4) of this section.

(2) The department shall maintain procedures to ensure that the privacy and confidentiality of patients and patient information collected, recorded, transmitted, and maintained is not disclosed to persons except as in subsections (3) and (4) of this section.

(3) The department may provide data in the prescription monitoring program to the following persons:

(a) Persons authorized to prescribe or dispense controlled substances, for the purpose of providing medical or pharmaceutical care for their patients;

(b) An individual who requests the individual's own prescription monitoring information;

(c) Health professional licensing, certification, or regulatory agency or entity;

(d) Appropriate local, state, and federal law enforcement or prosecutorial officials who are engaged in a bona fide specific investigation involving a designated person;

(e) Authorized practitioners of the department of social and health services and the health care authority regarding medicaid program recipients;

(f) The director or director's designee within the department of labor and industries regarding workers' compensation claimants;

(g) The director or the director's designee within the department of corrections regarding offenders committed to the department of corrections;

(h) Other entities under grand jury subpoena or court order; and

(i) Personnel of the department for purposes of administration and enforcement of this chapter or chapter 69.50 RCW.

(4) The department may provide data to public or private entities for statistical, research, or educational purposes after removing information that

could be used to identify individual patients, dispensers, prescribers, and persons who received prescriptions from dispensers.

(5) A dispenser or practitioner acting in good faith is immune from any civil, criminal, or administrative liability that might otherwise be incurred or imposed for requesting, receiving, or using information from the program.

NEW SECTION. Sec. 88. The purpose of this chapter is to provide the health care authority with the powers, duties, and authority with respect to the collection of overpayments and the coordination of benefits that are currently provided to the department of social and health services in chapter 43.20B RCW. Providing the health care authority with these powers is necessary for the authority to administer medical services programs established under chapter 74.09 RCW currently administered by the department of social and health services programs but transferred to the authority under this act. The authority is authorized to collaborate with other state agencies in carrying out its duties under this chapter and, to the extent appropriate, may enter into agreements with such other agencies. Nothing in this chapter may be construed as diminishing the powers, duties, and authority granted to the department of social and health services in chapter 43.20B RCW with respect to the programs that will remain under its jurisdiction following enactment of this act.

NEW SECTION. Sec. 89. The definitions in this section apply throughout this chapter unless the context clearly requires otherwise:

(1) "Assistance" means all programs administered by the authority. (2) "Authority" means the Washington state health care authority.

(3) "Director" means the director of the Washington state health care authority.

(4) "Overpayment" means any payment or benefit to a recipient or to a vendor in excess of that to which is entitled by law, rule, or contract, including amounts in dispute.

(5) "Vendor" means a person or entity that provides goods or services to or for clientele of the authority and that controls operational decisions.

NEW SECTION. Sec. 90. The authority is authorized to charge fees for services provided unless otherwise prohibited by law. The fees may be sufficient to cover the full cost of the service provided if practical or may be charged on an ability-to-pay basis if practical. This section does not supersede other statutory authority enabling the assessment of fees by the authority. Whenever the authority is authorized by law to collect total or partial reimbursement for the cost of its providing care of or exercising custody over any person, the authority shall collect the reimbursement to the extent practical.

NEW SECTION. Sec. 91. (1) Except as otherwise provided by law, including subsection (2) of this section, there may be no collection of overpayments and other debts due the authority after the expiration of six years from the date of notice of such overpayment or other debt unless the authority has commenced recovery action in a court of law or unless an administrative remedy authorized by statute is in place. However, any amount due in a case thus extended ceases to be a debt due the authority at the expiration of ten years from the date of the notice of the overpayment or other debt unless a court-ordered remedy would be in effect for a longer period.

(2) There may be no collection of debts due the authority after the expiration of twenty years from the date a lien is recorded pursuant to section 96 of this act.

(3) The authority, at any time, may accept offers of compromise of disputed claims or may grant partial or total write-off of any debt due the authority if it is no longer cost-effective to pursue. The authority shall adopt rules establishing the considerations to be made in the granting or denial of a partial or total write-off of debts.

NEW SECTION. Sec. 92. The form of the lien in section 94 of this act must be substantially as follows:

STATEMENT OF LIEN

Notice is hereby given that the State of Washington, Health Care Authority, has rendered assistance to, a person who was injured on or about the day of in the county of state of, and the said authority hereby asserts a lien, to the extent provided in section 94 of this act, for the amount of such assistance, upon any sum due and owing (name of injured person) from, alleged to have caused the injury, and/or his or her insurer and from any other person or insurer liable for the injury or obligated to compensate the injured person on account of such injuries by contract or otherwise.

STATE OF WASHINGTON, HEALTH CARE AUTHORITY

By: (Title)

STATE OF WASHINGTON }
COUNTY OF } ss.

I,, being first duly sworn, on oath state: That I am (title); that I have read the foregoing Statement of Lien, know the contents thereof, and believe the same to be true.

.
Signed and sworn to or affirmed before me this day of,

by
(name of person making statement).

(Seal or stamp)

.
Notary Public in and for the State
of Washington
My appointment expires:

NEW SECTION. Sec. 93. (1) No settlement made by and between a recipient and either the tortfeasor or insurer, or both, discharges or otherwise compromises the lien created in section 94 of this act without the express written

consent of the director or the director's designee. Discretion to compromise such liens rests solely with the director or the director's designee.

(2) No settlement or judgment may be entered purporting to compromise the lien created by section 94 of this act without the express written consent of the director or the director's designee.

NEW SECTION. Sec. 94. (1) To secure reimbursement of any assistance paid as a result of injuries to or illness of a recipient caused by the negligence or wrong of another, the authority is subrogated to the recipient's rights against a tortfeasor or the tortfeasor's insurer, or both.

(2) The authority has the right to file a lien upon any recovery by or on behalf of the recipient from such tortfeasor or the tortfeasor's insurer, or both, to the extent of the value of the assistance paid by the authority: **PROVIDED**, That such lien is not effective against recoveries subject to wrongful death when there are surviving dependents of the deceased. The lien becomes effective upon filing with the county auditor in the county where the assistance was authorized or where any action is brought against the tortfeasor or insurer. The lien may also be filed in any other county or served upon the recipient in the same manner as a civil summons if, in the authority's discretion, such alternate filing or service is necessary to secure the authority's interest. The additional lien is effective upon filing or service.

(3) The lien of the authority may be against any claim, right of action, settlement proceeds, money, or benefits arising from an insurance program to which the recipient might be entitled (a) against the tortfeasor or insurer of the tortfeasor, or both, and (b) under any contract of insurance purchased by the recipient or by any other person providing coverage for the illness or injuries for which the assistance is paid or provided by the authority.

(4) If recovery is made by the authority under this section and the subrogation is fully or partially satisfied through an action brought by or on behalf of the recipient, the amount paid to the authority must bear its proportionate share of attorneys' fees and costs.

(a) The determination of the proportionate share to be borne by the authority must be based upon:

(i) The fees and costs approved by the court in which the action was initiated; or

(ii) The written agreement between the attorney and client which establishes fees and costs when fees and costs are not addressed by the court.

(b) When fees and costs have been approved by a court, after notice to the authority, the authority has the right to be heard on the matter of attorneys' fees and costs or its proportionate share.

(c) When fees and costs have not been addressed by the court, the authority shall receive at the time of settlement a copy of the written agreement between the attorney and client which establishes fees and costs and may request and examine documentation of fees and costs associated with the case. The authority may bring an action in superior court to void a settlement if it believes the attorneys' calculation of its proportionate share of fees and costs is inconsistent with the written agreement between the attorney and client which establishes fees and costs or if the fees and costs associated with the case are exorbitant in relation to cases of a similar nature.

(5) The rights and remedies provided to the authority in this section to secure reimbursement for assistance, including the authority's lien and subrogation rights, may be delegated to a managed health care system by contract entered into pursuant to RCW 74.09.522. A managed health care system may enforce all rights and remedies delegated to it by the authority to secure and recover assistance provided under a managed health care system consistent with its agreement with the authority.

NEW SECTION. Sec. 95. (1) An attorney representing a person who, as a result of injuries or illness sustained through the negligence or wrong of another, has received, is receiving, or has applied to receive shall:

(a) Notify the authority at the time of filing any claim against a third party, commencing an action at law, negotiating a settlement, or accepting a settlement offer from the tortfeasor or the tortfeasor's insurer, or both; and

(b) Give the authority thirty days' notice before any judgment, award, or settlement may be satisfied in any action or any claim by the applicant or recipient to recover damages for such injuries or illness.

(2) The proceeds from any recovery made pursuant to any action or claim described in section 94 of this act that is necessary to fully satisfy the authority's lien against recovery must be placed in a trust account or in the registry of the court until the authority's lien is satisfied.

NEW SECTION. Sec. 96. (1) The authority shall file liens, seek adjustment, or otherwise effect recovery for assistance correctly paid on behalf of an individual consistent with 42 U.S.C. Sec. 1396p. the authority shall adopt a rule providing for prior notice and hearing rights to the record title holder or purchaser under a land sale contract.

(2) Liens may be adjusted by foreclosure in accordance with chapter 61.12 RCW.

(3) In the case of an individual who was fifty-five years of age or older when the individual received assistance, the authority shall seek adjustment or recovery from the individual's estate, and from nonprobate assets of the individual as defined by RCW 11.02.005, but only for assistance consisting of services that the authority determines to be appropriate, and related hospital and prescription drug services. Recovery from the individual's estate, including foreclosure of liens imposed under this section, must be undertaken as soon as practicable, consistent with 42 U.S.C. Sec. 1396p.

(4) The authority shall apply the assistance estate recovery law as it existed on the date that benefits were received when calculating an estate's liability to reimburse the authority for those benefits.

(5)(a) The authority shall establish procedures consistent with standards established by the federal department of health and human services and pursuant to 42 U.S.C. Sec. 1396p to waive recovery when such recovery would work an undue hardship. The authority shall recognize an undue hardship for a surviving domestic partner whenever recovery would not have been permitted if he or she had been a surviving spouse. The authority is not authorized to pursue recovery under such circumstances.

(b) Recovery of assistance from a recipient's estate may not include property made exempt from claims by federal law or treaty, including exemption for tribal artifacts that may be held by individual Native Americans.

(6) A lien authorized under this section relates back to attach to any real property that the decedent had an ownership interest in immediately before death and is effective as of that date or date of recording, whichever is earlier.

(7) The authority may enforce a lien authorized under this section against a decedent's life estate or joint tenancy interest in real property held by the decedent immediately prior to his or her death. Such a lien enforced under this subsection may not end and must continue as provided in this subsection until the authority's lien has been satisfied.

(a) The value of the life estate subject to the lien is the value of the decedent's interest in the property subject to the life estate immediately prior to the decedent's death.

(b) The value of the joint tenancy interest subject to the lien is the value of the decedent's fractional interest the recipient would have owned in the jointly held interest in the property had the recipient and the surviving joint tenants held title to the property as tenants in common on the date of the recipient's death.

(c) The authority may not enforce the lien provided by this subsection against a bona fide purchaser or encumbrancer that obtains an interest in the property after the death of the recipient and before the authority records either its lien or the request for notice of transfer or encumbrance as provided by section 115 of this act.

(d) The authority may not enforce a lien provided by this subsection against any property right that vested prior to July 1, 2005.

(8)(a) Subject to the requirements of 42 U.S.C. Sec. 1396p(a) and the conditions of this subsection (8), the authority is authorized to file a lien against the property of an individual prior to his or her death, and to seek adjustment and recovery from the individual's estate or sale of the property subject to the lien, if:

(i) The individual is an inpatient in a nursing facility, intermediate care facility for persons with intellectual disabilities, or other medical institution; and

(ii) The authority has determined after notice and opportunity for a hearing that the individual cannot reasonably be expected to be discharged from the medical institution and to return home.

(b) If the individual is discharged from the medical facility and returns home, the authority shall dissolve the lien.

(9) The authority is authorized to adopt rules to effect recovery under this section. The authority may adopt by rule later enactments of the federal laws referenced in this section.

(10) It is the responsibility of the authority to fully disclose in advance verbally and in writing, in easy to understand language, the terms and conditions of estate recovery to all persons offered care subject to recovery of payments.

(11) In disclosing estate recovery costs to potential clients, and to family members at the consent of the client, the authority shall provide a written description of the community service options.

NEW SECTION. Sec. 97. (1) Overpayments of assistance become a lien against the real and personal property of the recipient from the time of filing by the authority with the county auditor of the county in which the recipient resides or owns property, and the lien claim has preference over the claims of all unsecured creditors.

(2) Debts due the state for overpayments of assistance may be recovered by the state by deduction from the subsequent assistance payments to such persons,

lien and foreclosure, or order to withhold and deliver, or may be recovered by civil action.

NEW SECTION. Sec. 98. (1) Any person who owes a debt to the state for an overpayment of assistance must be notified of that debt by either personal service or certified mail, return receipt requested. Personal service, return of the requested receipt, or refusal by the debtor of such notice is proof of notice to the debtor of the debt owed. Service of the notice must be in the manner prescribed for the service of a summons in a civil action. The notice must include a statement of the debt owed; a statement that the property of the debtor will be subject to collection action after the debtor terminates from assistance; a statement that the property will be subject to lien and foreclosure, distraint, seizure and sale, or order to withhold and deliver; and a statement that the net proceeds will be applied to the satisfaction of the overpayment debt. Action to collect the debt by lien and foreclosure, distraint, seizure and sale, or order to withhold and deliver, is lawful after ninety days from the debtor's termination from assistance or the receipt of the notice of debt, whichever is later. This does not preclude the authority from recovering overpayments by deduction from subsequent assistance payments, not exceeding deductions as authorized under federal law with regard to financial assistance programs: PROVIDED, That subject to federal legal requirement, deductions may not exceed five percent of the grant payment standard if the overpayment resulted from error on the part of the authority or error on the part of the recipient without willful or knowing intent of the recipient in obtaining or retaining the overpayment.

(2) A current or former recipient who is aggrieved by a claim that he or she owes a debt for an overpayment of assistance has the right to an adjudicative proceeding pursuant to section 53 of this act. If no application is filed, the debt is subject to collection action as authorized under this chapter. If a timely application is filed, the execution of collection action on the debt is stayed pending the final adjudicative order or termination of the debtor from assistance, whichever occurs later.

NEW SECTION. Sec. 99. (1) After service of a notice of debt for an overpayment as provided for in section 98 of this act, stating the debt accrued, the director may issue to any person, firm, corporation, association, political subdivision, or department of the state an order to withhold and deliver property of any kind including, but not restricted to, earnings which are due, owing, or belonging to the debtor, when the director has reason to believe that there is in the possession of such person, firm, corporation, association, political subdivision, or department of the state property which is due, owing, or belonging to the debtor. The order to withhold and deliver must state the amount of the debt, and must state in summary the terms of this section, RCW 6.27.150 and 6.27.160, chapters 6.13 and 6.15 RCW, 15 U.S.C. Sec. 1673, and other state or federal exemption laws applicable generally to debtors. The order to withhold and deliver must be served in the manner prescribed for the service of a summons in a civil action or by certified mail, return receipt requested. Any person, firm, corporation, association, political subdivision, or department of the state upon whom service has been made shall answer the order to withhold and deliver within twenty days, exclusive of the day of service, under oath and in writing, and shall make true answers to the matters inquired of therein. The

director may require further and additional answers to be completed by the person, firm, corporation, association, political subdivision, or department of the state. If any such person, firm, corporation, association, political subdivision, or department of the state possesses any property which may be subject to the claim of the authority, such property must be withheld immediately upon receipt of the order to withhold and deliver and must, after the twenty-day period, upon demand, be delivered forthwith to the director. The director shall hold the property in trust for application on the indebtedness involved or for return, without interest, in accordance with final determination of liability or nonliability. In the alternative, there may be furnished to the director a good and sufficient bond, satisfactory to the director, conditioned upon final determination of liability. Where money is due and owing under any contract of employment, express or implied, or is held by any person, firm, corporation, association, political subdivision, or department of the state subject to withdrawal by the debtor, such money must be delivered by remittance payable to the order of the director. Delivery to the director, subject to the exemptions under RCW 6.27.150 and 6.27.160, chapters 6.13 and 6.15 RCW, 15 U.S.C. Sec. 1673, and other state or federal law applicable generally to debtors, of the money or other property held or claimed satisfies the requirement of the order to withhold and deliver. Delivery to the director serves as full acquittance, and the state warrants and represents that it shall defend and hold harmless for such actions persons delivering money or property to the director pursuant to this chapter. The state also warrants and represents that it shall defend and hold harmless for such actions persons withholding money or property pursuant to this chapter.

(2) The director shall also, on or before the date of service of the order to withhold and deliver, mail or cause to be mailed by certified mail a copy of the order to withhold and deliver to the debtor at the debtor's last known post office address or, in the alternative, a copy of the order to withhold and deliver must be served on the debtor in the same manner as a summons in a civil action on or before the date of service of the order or within two days thereafter. The copy of the order must be mailed or served together with a concise explanation of the right to petition for a hearing on any issue related to the collection. This requirement is not jurisdictional, but, if the copy is not mailed or served as provided in this section, or if any irregularity appears with respect to the mailing or service, the superior court, on its discretion on motion of the debtor promptly made and supported by affidavit showing that the debtor has suffered substantial injury due to the failure to mail the copy, may set aside the order to withhold and deliver and award to the debtor an amount equal to the damages resulting from the director's failure to serve on or mail to the debtor the copy.

NEW SECTION. Sec. 100. If any person, firm, corporation, association, political subdivision, or department of the state fails to answer an order to withhold and deliver within the time prescribed in section 99 of this act, or fails or refuses to deliver property pursuant to the order, or after actual notice of filing of a lien as provided for in this chapter, pays over, releases, sells, transfers, or conveys real or personal property subject to such lien to or for the benefit of the debtor or any other person, or fails or refuses to surrender upon demand property distrained under section 99 of this act, or fails or refuses to honor an assignment of wages presented by the director, such person, firm, corporation, association, political subdivision, or department of the state is liable to the authority in an

amount equal to one hundred percent of the value of the debt which is the basis of the lien, order to withhold and deliver, distraint, or assignment of wages, together with costs, interest, and reasonable attorneys' fees.

NEW SECTION. Sec. 101. Any person, firm, corporation, association, political subdivision, or department employing a person owing a debt for overpayment of assistance received shall honor, according to its terms, a duly executed assignment of earnings presented to the employer by the director as a plan to satisfy or retire an overpayment debt. This requirement to honor the assignment of earnings is applicable whether the earnings are to be paid presently or in the future and continues in force and effect until released in writing by the director. Payment of moneys pursuant to an assignment of earnings presented to the employer by the director serves as full acquittance under any contract of employment, and the state warrants and represents it shall defend and hold harmless such action taken pursuant to the assignment of earnings. The director is released from liability for improper receipt of moneys under assignment of earnings upon return of any moneys so received.

NEW SECTION. Sec. 102. If an improper real property transfer is made as defined in RCW 74.08.331 through 74.08.338, the authority may request the attorney general to file suit to rescind the transaction except as to subsequent bona fide purchasers for value. If it is established by judicial proceedings that a fraudulent conveyance occurred, the value of any assistance which has been furnished may be recovered in any proceedings from the recipient or the recipient's estate.

NEW SECTION. Sec. 103. When the authority provides assistance to persons who possess excess real property under RCW 74.04.005(11)(g), the authority may file a lien against or otherwise perfect its interest in such real property as a condition of granting such assistance, and the authority has the status of a secured creditor.

NEW SECTION. Sec. 104. (1) When the authority determines that a vendor was overpaid by the authority for either goods or services, or both, provided to authority clients, except nursing homes under chapter 74.46 RCW, the authority shall give written notice to the vendor. The notice must include the amount of the overpayment, the basis for the claim, and the rights of the vendor under this section.

(2) The notice may be served upon the vendor in the manner prescribed for the service of a summons in civil action or be mailed to the vendor at the last known address by certified mail, return receipt requested, demanding payment within twenty days of the date of receipt.

(3) The vendor has the right to an adjudicative proceeding governed by the administrative procedure act, chapter 34.05 RCW, and the rules of the authority. The vendor's application for an adjudicative proceeding must be in writing, state the basis for contesting the overpayment notice, and include a copy of the authority's notice. The application must be served on and received by the authority within twenty-eight days of the vendor's receipt of the notice of overpayment. The vendor must serve the authority in a manner providing proof of receipt.

(4) Where an adjudicative proceeding has been requested, the presiding or reviewing office shall determine the amount, if any, of the overpayment received by the vendor.

(5) If the vendor fails to attend or participate in the adjudicative proceeding, upon a showing of valid service, the presiding or reviewing officer may enter an administrative order declaring the amount claimed in the notice to be assessed against the vendor and subject to collection action by the authority.

(6) Failure to make an application for an adjudicative proceeding within twenty-eight days of the date of notice results in the establishment of a final debt against the vendor in the amount asserted by the authority and that amount is subject to collection action. The authority may also charge the vendor with any costs associated with the collection of any final overpayment or debt established against the vendor.

(7) The authority may enforce a final overpayment or debt through lien and foreclosure, distraint, seizure and sale, order to withhold and deliver, or other collection action available to the authority to satisfy the debt due.

(8) Debts determined under this chapter are subject to collection action without further necessity of action by a presiding or reviewing officer. The authority may collect the debt in accordance with sections 99, 100, and 105 of this act. In addition, a vendor lien may be subject to distraint and seizure and sale in the same manner as prescribed for support liens in RCW 74.20A.130.

(9) Chapter 66, Laws of 1998 applies to overpayments for goods or services provided on or after July 1, 1998.

(10) The authority may adopt rules consistent with this section.

NEW SECTION. Sec. 105. (1) The authority may, at the director's discretion, secure the repayment of any outstanding overpayment, plus interest, if any, through the filing of a lien against the vendor's real property, or by requiring the posting of a bond, assignment of deposit, or some other form of security acceptable to the authority, or by doing both.

(a) Any lien is effective from the date of filing for record with the county auditor of the county in which the property is located and the lien claim has preference over the claims of all unsecured creditors.

(b) The authority shall review and determine the acceptability of all other forms of security.

(c) Any bond must be issued by a company licensed as a surety in the state of Washington.

(d) This subsection does not apply to nursing homes licensed under chapter 18.51 RCW or portions of hospitals licensed under chapter 70.41 RCW and operating as a nursing home, if those facilities are subject to chapter 74.46 RCW.

(2) The authority may recover any overpayment, plus interest, if any, by setoff or recoupment against subsequent payments to the vendor.

NEW SECTION. Sec. 106. Liens created under section 105 of this act bind the affected property for a period of ten years after the lien has been recorded or ten years after the resolution of all good faith disputes as to the overpayment, whichever is later. Any civil action by the authority to enforce such lien must be timely commenced before the ten-year period expires or the lien is released. A civil action to enforce such lien is not timely commenced unless the summons and complaint are filed within the ten-year period in a court having jurisdiction

and service of the summons and complaint is made upon all parties in the manner prescribed by appropriate civil court rules.

NEW SECTION. Sec. 107. Any action to enforce a vendor overpayment debt must be commenced within six years from the date of the authority's notice to the vendor.

NEW SECTION. Sec. 108. The remedies under sections 105 and 106 of this act are nonexclusive and nothing contained in this chapter may be construed to impair or affect the right of the authority to maintain a civil action or to pursue any other remedies available to it under the laws of this state to recover such debt.

NEW SECTION. Sec. 109. (1) Except as provided in subsection (4) of this section, vendors shall pay interest on overpayments at the rate of one percent per month or portion thereof. Where partial repayment of an overpayment is made, interest accrues on the remaining balance. Interest must not accrue when the overpayment occurred due to authority error.

(2) If the overpayment is discovered by the vendor prior to discovery and notice by the authority, the interest begins accruing ninety days after the vendor notifies the authority of such overpayment.

(3) If the overpayment is discovered by the authority prior to discovery and notice by the vendor, the interest begins accruing thirty days after the date of notice by the authority to the vendor.

(4) This section does not apply to:

(a) Interagency or intergovernmental transactions; and

(b) Contracts for public works, goods and services procured for the exclusive use of the authority, equipment, or travel.

NEW SECTION. Sec. 110. (1) To avoid a duplicate payment of benefits, a recipient of assistance from the authority is deemed to have subrogated the authority to the recipient's right to recover temporary total disability compensation due to the recipient and the recipient's dependents under Title 51 RCW, to the extent of such assistance or compensation, whichever is less. However, the amount to be repaid to the authority must bear its proportionate share of attorneys' fees and costs, if any, incurred under Title 51 RCW by the recipient or the recipient's dependents.

(2) The authority may assert and enforce a lien and notice to withhold and deliver to secure reimbursement. The authority shall identify in the lien and notice to withhold and deliver the recipient of assistance and temporary total disability compensation and the amount claimed by the authority.

NEW SECTION. Sec. 111. The effective date of the lien and notice to withhold and deliver provided in section 110 of this act is the day that it is received by the department of labor and industries or a self-insurer as defined in chapter 51.08 RCW. Service of the lien and notice to withhold and deliver may be made personally, by regular mail with postage prepaid, or by electronic means. A statement of lien and notice to withhold and deliver must be mailed to the recipient at the recipient's last known address by certified mail, return receipt requested, no later than two business days after the authority mails, delivers, or transmits the lien and notice to withhold and deliver to the department of labor and industries or a self-insurer.

NEW SECTION. Sec. 112. The director of labor and industries or the director's designee, or a self-insurer as defined in chapter 51.08 RCW, following receipt of the lien and notice to withhold and deliver, shall deliver to the director of the authority or the director's designee any temporary total disability compensation payable to the recipient named in the lien and notice to withhold and deliver up to the amount claimed. The director of labor and industries or self-insurer shall withhold and deliver from funds currently in the director's or self-insurer's possession or from any funds that may at any time come into the director's or self-insurer's possession on account of temporary total disability compensation payable to the recipient named in the lien and notice to withhold and deliver.

NEW SECTION. Sec. 113. (1) A recipient feeling aggrieved by the action of the authority in recovering his or her temporary total disability compensation as provided in sections 110 through 114 of this act has the right to an adjudicative proceeding.

(2) A recipient seeking an adjudicative proceeding shall file an application with the director within twenty-eight days after the statement of lien and notice to withhold and deliver was mailed to the recipient. If the recipient files an application more than twenty-eight days after, but within one year of, the date the statement of lien and notice to withhold and deliver was mailed, the recipient is entitled to a hearing if the recipient shows good cause for the recipient's failure to file a timely application. The filing of a late application does not affect prior collection action pending the final adjudicative order. Until good cause for failure to file a timely application is decided, the authority may continue to collect under the lien and notice to withhold and deliver.

(3) The proceeding shall be governed by chapter 34.05 RCW, the administrative procedure act.

NEW SECTION. Sec. 114. Sections 110 through 113 of this act and this section do not apply to persons whose eligibility for benefits under Title 51 RCW is based upon an injury or illness occurring prior to July 1, 1972.

NEW SECTION. Sec. 115. (1) When an individual receives assistance subject to recovery under this chapter and the individual is the holder of record title to real property or the purchaser under a land sale contract, the authority may present to the county auditor for recording in the deed and mortgage records of a county a request for notice of transfer or encumbrance of the real property. The authority shall adopt a rule providing prior notice and hearing rights to the record title holder or purchaser under a land sale contract.

(2) The authority shall present to the county auditor for recording a termination of request for notice of transfer or encumbrance when, in the judgment of the authority, it is no longer necessary or appropriate for the authority to monitor transfers or encumbrances related to the real property.

(3) The authority shall adopt by rule a form for the request for notice of transfer or encumbrance and the termination of request for notice of transfer or encumbrance that, at a minimum:

(a) Contains the name of the assistance recipient and a case identifier or other appropriate information that links the individual who is the holder of record title to real property or the purchaser under a land sale contract to the individual's assistance records;

- (b) Contains the legal description of the real property;
 - (c) Contains a mailing address for the authority to receive the notice of transfer or encumbrance; and
 - (d) Complies with the requirements for recording in RCW 36.18.010 for those forms intended to be recorded.
- (4) The authority shall pay the recording fee required by the county clerk under RCW 36.18.010.
- (5) The request for notice of transfer or encumbrance described in this section does not affect title to real property and is not a lien on, encumbrance of, or other interest in the real property.

NEW SECTION. Sec. 116. (1) By December 10, 2011, the department of social and health services and the health care authority shall provide a preliminary report, and by December 1, 2012, provide a final implementation plan, to the governor and the legislature with recommendations regarding the role of the health care authority in the state's purchasing of mental health treatment, substance abuse treatment, and long-term care services, including services for those with developmental disabilities.

- (2) The reports shall:
- (a) Consider options for effectively coordinating the purchase and delivery of care for people who need long-term care, developmental disabilities, mental health, or chemical dependency services. Options considered may include, but are not limited to, transitioning purchase of these services from the department of social and health services to the health care authority, and strategies for the agencies to collaborate seamlessly while purchasing services separately; and
 - (b) Address the following components:
 - (i) Incentives to improve prevention efforts;
 - (ii) Service delivery approaches, including models for care management and care coordination and benefit design;
 - (iii) Rules to assure that those requiring long-term care services and supports receive that care in the least restrictive setting appropriate to their needs;
 - (iv) Systems to measure cost savings;
 - (v) Mechanisms to measure health outcomes and consumer satisfaction;
 - (vi) The designation of a single point of entry for financial and functional eligibility determinations for long-term care services; and
 - (vii) Process for collaboration with local governments.
- (3) In developing these recommendations, the agencies shall:
- (a) Consult with tribal governments and with interested stakeholders, including consumers, health care and other service providers, health insurance carriers, and local governments; and
 - (b) Cooperate with the joint select committee on health reform implementation established in House Concurrent Resolution No. 4404 and any of its advisory committees. The agencies shall strongly consider the guidance and input received from these forums in the development of its recommendations.
- (4) The agencies shall submit a progress report to the governor and the legislature by November 15, 2013, that provides details on the agencies' progress on purchasing coordination to date.

Sec. 117. RCW 74.09A.005 and 2007 c 179 s 1 are each amended to read as follows:

The legislature finds that:

(1) Simplification in the administration of payment of health benefits is important for the state, providers, and health insurers;

(2) The state, providers, and health insurers should take advantage of all opportunities to streamline operations through automation and the use of common computer standards;

(3) It is in the best interests of the state, providers, and health insurers to identify all third parties that are obligated to cover the cost of health care coverage of joint beneficiaries; and

(4) Health insurers, as a condition of doing business in Washington, must increase their effort to share information with the ~~((department))~~ authority and accept the ~~((department's))~~ authority's timely claims consistent with 42 U.S.C. 1396a(a)(25).

Therefore, the legislature declares that to improve the coordination of benefits between the ~~((department of social and health services))~~ health care authority and health insurers to ensure that medical insurance benefits are properly utilized, a transfer of information between the ~~((department))~~ authority and health insurers should be instituted, and the process for submitting requests for information and claims should be simplified.

Sec. 118. RCW 74.09A.010 and 2007 c 179 s 2 are each amended to read as follows:

For the purposes of this chapter:

(1) ~~(("Department"))~~ "Authority" means the ~~((department of social and health services))~~ Washington state health care authority.

(2) "Health insurance coverage" includes any policy, contract, or agreement under which health care items or services are provided, arranged, reimbursed, or paid for by a health insurer.

(3) "Health insurer" means any party that is, by statute, policy, contract, or agreement, legally responsible for payment of a claim for a health care item or service, including, but not limited to, a commercial insurance company providing disability insurance under chapter 48.20 or 48.21 RCW, a health care service contractor providing health care coverage under chapter 48.44 RCW, a health maintenance organization providing comprehensive health care services under chapter 48.46 RCW, an employer or union self-insured plan, any private insurer, a group health plan, a service benefit plan, a managed care organization, a pharmacy benefit manager, and a third party administrator.

(4) "Computerized" means online or batch processing with standardized format via magnetic tape output.

(5) "Joint beneficiary" is an individual who has health insurance coverage and is a recipient of public assistance benefits under chapter 74.09 RCW.

Sec. 119. RCW 74.09A.020 and 2007 c 179 s 3 are each amended to read as follows:

(1) The ~~((department))~~ authority shall provide routine and periodic computerized information to health insurers regarding client eligibility and coverage information. Health insurers shall use this information to identify joint beneficiaries. Identification of joint beneficiaries shall be transmitted to the

~~((department))~~ authority. The ~~((department))~~ authority shall use this information to improve accuracy and currency of health insurance coverage and promote improved coordination of benefits.

(2) To the maximum extent possible, necessary data elements and a compatible database shall be developed by affected health insurers and the ~~((department))~~ authority. The ~~((department))~~ authority shall establish a representative group of health insurers and state agency representatives to develop necessary technical and file specifications to promote a standardized database. The database shall include elements essential to the ~~((department))~~ authority and its population's health insurance coverage information.

(3) If the state and health insurers enter into other agreements regarding the use of common computer standards, the database identified in this section shall be replaced by the new common computer standards.

(4) The information provided will be of sufficient detail to promote reliable and accurate benefit coordination and identification of individuals who are also eligible for ~~((department))~~ authority programs.

(5) The frequency of updates will be mutually agreed to by each health insurer and the ~~((department))~~ authority based on frequency of change and operational limitations. In no event shall the computerized data be provided less than semiannually.

(6) The health insurers and the ~~((department))~~ authority shall safeguard and properly use the information to protect records as provided by law, including but not limited to chapters 42.48, 74.09, 74.04, 70.02, and 42.56 RCW, and 42 U.S.C. Sec. 1396a and 42 C.F.R. Sec. 43 et seq. The purpose of this exchange of information is to improve coordination and administration of benefits and ensure that medical insurance benefits are properly utilized.

(7) The ~~((department))~~ authority shall target implementation of this section to those health insurers with the highest probability of joint beneficiaries.

Sec. 120. RCW 74.09A.030 and 2007 c 179 s 4 are each amended to read as follows:

Health insurers, as a condition of doing business in Washington, must:

(1) Provide, with respect to individuals who are eligible for, or are provided, medical assistance under chapter 74.09 RCW, upon the request of the ~~((department))~~ authority, information to determine during what period the individual or their spouses or their dependants may be, or may have been, covered by a health insurer and the nature of coverage that is or was provided by the health insurer, including the name, address, and identifying number of the plan, in a manner prescribed by the ~~((department))~~ authority;

(2) Accept the ~~((department's))~~ authority's right to recovery and the assignment to the ~~((department))~~ authority of any right of an individual or other entity to payment from the party for an item or service for which payment has been made under chapter 74.09 RCW;

(3) Respond to any inquiry by the ~~((department))~~ authority regarding a claim for payment for any health care item or service that is submitted not later than three years after the date of the provision of such health care item or service;

(4) Agree not to deny a claim submitted by the ~~((department))~~ authority solely on the basis of the date of submission of the claim, the type or format of

the claim form, or a failure to present proper documentation at the point-of-sale that is the basis of the claim, if:

(a) The claim is submitted by the ~~((department))~~ authority within the three-year period beginning on the date the item or service was furnished; and

(b) Any action by the ~~((department))~~ authority to enforce its rights with respect to such claim is commenced within six years of the ~~((department's))~~ authority's submission of such claim; and

(5) Agree that the prevailing party in any legal action to enforce this section receives reasonable attorneys' fees as well as related collection fees and costs incurred in the enforcement of this section.

NEW SECTION. Sec. 121. The following acts or parts of acts are each repealed:

(1) RCW 74.09.085 (Contracts—Performance measures—Financial incentives) and 2005 c 446 s 3;

(2) RCW 74.09.110 (Administrative personnel—Professional consultants and screeners) and 1979 c 141 s 339 & 1959 c 26 s 74.09.110;

(3) RCW 74.09.5221 (Medical assistance—Federal standards—Waivers—Application) and 1997 c 231 s 112;

(4) RCW 74.09.5227 (Implementation date—Payments for services provided by rural hospitals) and 2001 2nd sp.s. c 2 s 3;

(5) RCW 74.09.755 (AIDS—Community-based care—Federal social security act waiver) and 1989 c 427 s 12;

(6) RCW 43.20A.860 (Requirement to seek federal waivers and state law changes to medical assistance program) and 1995 c 265 s 26; and

(7) RCW 74.04.270 (Audit of accounts—Uniform accounting system) and 1979 c 141 s 304 & 1959 c 26 s 74.04.270.

Sec. 122. RCW 74.09.015 and 2007 c 259 s 16 are each amended to read as follows:

To the extent that sufficient funding is provided specifically for this purpose, the ~~((department, in collaboration with the health care))~~ authority~~(s)~~ shall provide all persons receiving services under this chapter with access to a twenty-four hour, seven day a week nurse hotline. The ~~((health care))~~ authority ~~((and the department of social and health services))~~ shall determine the most appropriate way to provide the nurse hotline under RCW 41.05.037 and this section, which may include use of the 211 system established in chapter 43.211 RCW.

NEW SECTION. Sec. 123. A new section is added to chapter 43.20A RCW to read as follows:

The secretary shall enter into agreements with the director of the health care authority, in his or her capacity as the director of the designated single state agency to administer medical services programs under Titles XIX and XXI of the social security act, to establish the division of responsibilities between the agencies with respect to mental health, chemical dependency, and long-term care services, including services for people with developmental disabilities. Except to the extent expressly authorized in the omnibus operating budget or other legislative act and where necessary to improve coordination of care for individual clients, nothing in this section or in section 116 of this act shall be construed as authorizing the secretary or the director to transfer funds

appropriated to one agency or program in the omnibus operating budget to another agency or program.

NEW SECTION, Sec. 124. (1) All powers, duties, and functions of the department of social and health services pertaining to the medical assistance program and the medicaid purchasing administration are transferred to the health care authority to the extent necessary to carry out the purposes of this act. All references to the secretary or the department of social and health services in the Revised Code of Washington shall be construed to mean the director or the health care authority when referring to the functions transferred in this section.

(2)(a) All reports, documents, surveys, books, records, files, papers, or written material in the possession of the department of social and health services pertaining to the powers, functions, and duties transferred shall be delivered to the custody of the health care authority. All cabinets, furniture, office equipment, motor vehicles, and other tangible property employed by the department of social and health services in carrying out the powers, functions, and duties transferred shall be made available to the health care authority. All funds, credits, or other assets held in connection with the powers, functions, and duties transferred shall be assigned to the health care authority.

(b) Any appropriations made to the department of social and health services for carrying out the powers, functions, and duties transferred shall, on the effective date of this section, be transferred and credited to the health care authority.

(c) Whenever any question arises as to the transfer of any personnel, funds, books, documents, records, papers, files, equipment, or other tangible property used or held in the exercise of the powers and the performance of the duties and functions transferred, the director of financial management shall make a determination as to the proper allocation and certify the same to the state agencies concerned.

(3) All employees of the medicaid purchasing administration at the department of social and health services are transferred to the jurisdiction of the health care authority. All employees classified under chapter 41.06 RCW, the state civil service law, are assigned to the health care authority to perform their usual duties upon the same terms as formerly, without any loss of rights, subject to any action that may be appropriate thereafter in accordance with the laws and rules governing state civil service.

(4) All rules and all pending business before the department of social and health services pertaining to the powers, functions, and duties transferred shall be continued and acted upon by the health care authority. All existing contracts and obligations shall remain in full force and shall be performed by the health care authority.

(5) The transfer of the powers, duties, functions, and personnel of the department of social and health services shall not affect the validity of any act performed before the effective date of this section.

(6) If apportionments of budgeted funds are required because of the transfers directed by this section, the director of financial management shall certify the apportionments to the agencies affected, the state auditor, and the state treasurer. Each of these shall make the appropriate transfer and adjustments in funds and appropriation accounts and equipment records in accordance with the certification.

(7) A nonsupervisory medicaid purchasing unit bargaining unit is created at the health care authority. All nonsupervisory civil service employees of the medicaid purchasing administration at the department of social and health services assigned to the health care authority under this section whose positions are within the existing bargaining unit description at the department of social and health services shall become a part of the nonsupervisory medicaid purchasing unit bargaining unit at the health care authority under the provisions of chapter 41.80 RCW. The exclusive bargaining representative of the existing bargaining unit at the department of social and health services is certified as the exclusive bargaining representative of the nonsupervisory medicaid purchasing unit bargaining unit at the health care authority without the necessity of an election.

(8) A supervisory medicaid purchasing unit bargaining unit is created at the health care authority. All supervisory civil service employees of the medicaid purchasing administration at the department of social and health services assigned to the health care authority under this section whose positions are within the existing bargaining unit description at the department of social and health services shall become a part of the supervisory medicaid purchasing unit bargaining unit at the health care authority under the provisions of chapter 41.80 RCW. The exclusive bargaining representative of the existing bargaining unit at the department of social and health services is certified as the exclusive bargaining representative of the supervisory medicaid purchasing unit bargaining unit at the health care authority without the necessity of an election.

(9) The bargaining units of employees created under this section are appropriate units under the provisions of chapter 41.80 RCW. However, nothing contained in this section shall be construed to alter the authority of the public employment relations commission under the provisions of chapter 41.80 RCW to amend or modify the bargaining units.

(10) Positions from the department of social and health services central administration are transferred to the jurisdiction of the health care authority. Employees classified under chapter 41.06 RCW, the state civil service law, are assigned to the health care authority to perform their usual duties upon the same terms as formerly, without any loss of rights, subject to any action that may be appropriate thereafter in accordance with the laws and rules governing state civil service.

(11) All classified employees of the department of social and health services central administration assigned to the health care authority under subsection (10) of this section whose positions are within an existing bargaining unit description at the health care authority shall become a part of the existing bargaining unit at the health care authority and shall be considered an appropriate inclusion or modification of the existing bargaining unit under the provisions of chapter 41.80 RCW.

NEW SECTION. Sec. 125. The code reviser shall note wherever "administrator" is used or referred to in the Revised Code of Washington as the head of the health care authority that the title of the agency head has been changed to "director." The code reviser shall prepare legislation for the 2012 regular session that changes all statutory references to "administrator" of the health care authority to "director" of the health care authority.

NEW SECTION. Sec. 126. RCW 43.20A.365 is recodified as a section in chapter 74.09 RCW.

NEW SECTION. Sec. 127. Sections 88 through 115 of this act constitute a new chapter in Title 41 RCW, to be codified as chapter 41.05A RCW.

NEW SECTION. Sec. 128. Sections 73 through 75 of this act expire June 30, 2012.

NEW SECTION. Sec. 129. 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.

NEW SECTION. Sec. 130. This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and takes effect July 1, 2011.

Passed by the House May 13, 2011.

Passed by the Senate May 9, 2011.

Approved by the Governor June 7, 2011.

Filed in Office of Secretary of State June 8, 2011.

CHAPTER 16

[Second Engrossed Substitute Senate Bill 5742]

WASHINGTON STATE FERRY SYSTEM

AN ACT Relating to the Washington state ferry system; amending RCW 47.60.530, 47.60.315, 82.08.0255, 82.12.0256, 47.64.120, 41.58.050, 41.58.060, 47.64.130, 47.64.280, 47.64.300, and 47.64.011; reenacting and amending RCW 43.84.092, 41.06.070, and 47.64.090; adding a new section to chapter 47.60 RCW; adding new sections to chapter 47.64 RCW; adding a new section to chapter 41.58 RCW; creating a new section; repealing RCW 47.64.080 and 47.64.150; providing effective dates; providing expiration dates; and declaring an emergency.

Be it enacted by the Legislature of the State of Washington:

Sec. 1. RCW 47.60.530 and 1979 c 27 s 4 are each amended to read as follows:

~~((There is hereby created in the motor vehicle fund)) (1) The Puget Sound ferry operations account ((to the credit of which shall be deposited all moneys directed by law to be deposited therein. All moneys deposited in this account shall be expended pursuant to appropriations only for reimbursement of the motor vehicle fund for any state moneys, other than insurance proceeds, expended therefrom for alternate transportation services instituted as a result of the destruction of the Hood Canal bridge, and)) is created in the motor vehicle fund.~~

(2) The following funds must be deposited into the account:

(a) All moneys directed by law;

(b) All revenues generated from ferry fares; and

(c) All revenues generated from commercial advertising, concessions, parking, and leases as allowed under RCW 47.60.140.

(3) Moneys in the account may be spent only after appropriation.

(4) Expenditures from the account may be used only for the maintenance, administration, and operation of the ((Washington state ferries including the Hood Canal bridge, supplementing as required the revenues available from the)) Washington state ferry system.

NEW SECTION. **Sec. 2.** A new section is added to chapter 47.60 RCW to read as follows:

(1) The capital vessel replacement account is created in the motor vehicle fund. All revenues generated from the vessel replacement surcharge under RCW 47.60.315(7) must be deposited into the account. Moneys in the account may be spent only after appropriation. Expenditures from the account may be used only for the construction or purchase of ferry vessels and to pay the principal and interest on bonds authorized for the construction or purchase of ferry vessels. However, expenditures from the account must first be used to support the construction or purchase, including any applicable financing costs, of a ferry vessel with a carrying capacity of at least one hundred forty-four cars.

(2) The state treasurer may not transfer any moneys from the capital vessel replacement account except to the transportation 2003 account (nickel account) for debt service on bonds issued for the construction of a 144-car class ferry vessel.

Sec. 3. RCW 47.60.315 and 2007 c 512 s 6 are each amended to read as follows:

(1) The commission shall adopt fares and pricing policies by rule, under chapter 34.05 RCW, according to the following schedule:

(a) Each year the department shall provide the commission a report of its review of fares and pricing policies, with recommendations for the revision of fares and pricing policies for the ensuing year;

(b) By September 1st of each year, beginning in 2008, the commission shall adopt by rule fares and pricing policies for the ensuing year.

(2) The commission may adopt by rule fares that are effective for more or less than one year for the purposes of transitioning to the fare schedule in subsection (1) of this section.

(3) The commission may increase ferry fares included in the schedule of charges adopted under this section by a percentage that exceeds the fiscal growth factor.

(4) The chief executive officer of the ferry system may authorize the use of promotional, discounted, and special event fares to the general public and commercial enterprises for the purpose of maximizing capacity use and the revenues collected by the ferry system. The department shall report to the commission a summary of the promotional, discounted, and special event fares offered during each fiscal year and the financial results from these activities.

(5) Fare revenues and other revenues deposited in the Puget Sound ferry operations account created in RCW 47.60.530 may not be used to support the Puget Sound capital construction account created in RCW 47.60.505, unless the support for capital is separately identified in the fare.

(6) The commission may not raise fares until the fare rules contain pricing policies developed under RCW 47.60.290, or September 1, 2009, whichever is later.

(7) The commission shall impose a vessel replacement surcharge of twenty-five cents on every one-way and round-trip ferry fare sold, including multiride and monthly pass fares. This surcharge must be clearly indicated to ferry passengers and drivers and, if possible, on the fare media itself.

Sec. 4. RCW 82.08.0255 and 2007 c 223 s 9 are each amended to read as follows:

(1) The tax levied by RCW 82.08.020 shall not apply to sales of motor vehicle and special fuel if:

(a) The fuel is purchased for the purpose of public transportation and the purchaser is entitled to a refund or an exemption under RCW 82.36.275 or 82.38.080(3); or

(b) The fuel is purchased by a private, nonprofit transportation provider certified under chapter 81.66 RCW and the purchaser is entitled to a refund or an exemption under RCW 82.36.285 or 82.38.080(1)(h); or

(c) The fuel is purchased by a public transportation benefit area created under chapter 36.57A RCW or a county-owned ferry or county ferry district created under chapter 36.54 RCW for use in passenger-only ferry vessels; or

(d) The fuel is purchased by the Washington state ferry system for use in a state-owned ferry after June 30, 2013; or

(e) The fuel is purchased by a county-owned ferry for use in ferry vessels after June 30, 2013; or

(f) The fuel is taxable under chapter 82.36 or 82.38 RCW.

(2) Any person who has paid the tax imposed by RCW 82.08.020 on the sale of special fuel delivered in this state shall be entitled to a credit or refund of such tax with respect to fuel subsequently established to have been actually transported and used outside this state by persons engaged in interstate commerce. The tax shall be claimed as a credit or refunded through the tax reports required under RCW 82.38.150.

Sec. 5. RCW 82.12.0256 and 2007 c 223 s 10 are each amended to read as follows:

The provisions of this chapter shall not apply in respect to the use of:

(1) Special fuel purchased in this state upon which a refund is obtained as provided in RCW 82.38.180(2); and

(2) Motor vehicle and special fuel if:

(a) The fuel is used for the purpose of public transportation and the purchaser is entitled to a refund or an exemption under RCW 82.36.275 or 82.38.080(3); or

(b) The fuel is purchased by a private, nonprofit transportation provider certified under chapter 81.66 RCW and the purchaser is entitled to a refund or an exemption under RCW 82.36.285 or 82.38.080(1)(h); or

(c) The fuel is purchased by a public transportation benefit area created under chapter 36.57A RCW or a county-owned ferry or county ferry district created under chapter 36.54 RCW for use in passenger-only ferry vessels; or

(d) The fuel is taxable under chapter 82.36 or 82.38 RCW: PROVIDED, That the use of motor vehicle and special fuel upon which a refund of the applicable fuel tax is obtained shall not be exempt under this subsection (2)(d), and the director of licensing shall deduct from the amount of such tax to be refunded the amount of tax due under this chapter and remit the same each month to the department of revenue; or

(e) The fuel is purchased by a county-owned ferry for use in ferry vessels after June 30, 2013; or

(f) The fuel is purchased by the Washington state ferry system for use in a state-owned ferry after June 30, 2013.

Sec. 6. RCW 43.84.092 and 2010 1st sp.s. c 30 s 20, 2010 1st sp.s. c 9 s 7, 2010 c 248 s 6, 2010 c 222 s 5, 2010 c 162 s 6, and 2010 c 145 s 11 are each reenacted and amended to read as follows:

(1) All earnings of investments of surplus balances in the state treasury shall be deposited to the treasury income account, which account is hereby established in the state treasury.

(2) The treasury income account shall be utilized to pay or receive funds associated with federal programs as required by the federal cash management improvement act of 1990. The treasury income account is subject in all respects to chapter 43.88 RCW, but no appropriation is required for refunds or allocations of interest earnings required by the cash management improvement act. Refunds of interest to the federal treasury required under the cash management improvement act fall under RCW 43.88.180 and shall not require appropriation. The office of financial management shall determine the amounts due to or from the federal government pursuant to the cash management improvement act. The office of financial management may direct transfers of funds between accounts as deemed necessary to implement the provisions of the cash management improvement act, and this subsection. Refunds or allocations shall occur prior to the distributions of earnings set forth in subsection (4) of this section.

(3) Except for the provisions of RCW 43.84.160, the treasury income account may be utilized for the payment of purchased banking services on behalf of treasury funds including, but not limited to, depository, safekeeping, and disbursement functions for the state treasury and affected state agencies. The treasury income account is subject in all respects to chapter 43.88 RCW, but no appropriation is required for payments to financial institutions. Payments shall occur prior to distribution of earnings set forth in subsection (4) of this section.

(4) Monthly, the state treasurer shall distribute the earnings credited to the treasury income account. The state treasurer shall credit the general fund with all the earnings credited to the treasury income account except:

(a) The following accounts and funds shall receive their proportionate share of earnings based upon each account's and fund's average daily balance for the period: The aeronautics account, the aircraft search and rescue account, the budget stabilization account, the capital vessel replacement account, the capitol building construction account, the Cedar River channel construction and operation account, the Central Washington University capital projects account, the charitable, educational, penal and reformatory institutions account, the cleanup settlement account, the Columbia river basin water supply development account, the common school construction fund, the county arterial preservation account, the county criminal justice assistance account, the county sales and use tax equalization account, the deferred compensation administrative account, the deferred compensation principal account, the department of licensing services account, the department of retirement systems expense account, the developmental disabilities community trust account, the drinking water assistance account, the drinking water assistance administrative account, the drinking water assistance repayment account, the Eastern Washington University capital projects account, the education construction fund, the education legacy trust account, the election account, the energy freedom account, the energy recovery act account, the essential rail assistance account, The Evergreen State College capital projects account, the federal forest revolving account, the ferry

bond retirement fund, the freight congestion relief account, the freight mobility investment account, the freight mobility multimodal account, the grade crossing protective fund, the public health services account, the health system capacity account, the high capacity transportation account, the state higher education construction account, the higher education construction account, the highway bond retirement fund, the highway infrastructure account, the highway safety account, the high occupancy toll lanes operations account, the hospital safety net assessment fund, the industrial insurance premium refund account, the judges' retirement account, the judicial retirement administrative account, the judicial retirement principal account, the local leasehold excise tax account, the local real estate excise tax account, the local sales and use tax account, the marine resources stewardship trust account, the medical aid account, the mobile home park relocation fund, the motor vehicle fund, the motorcycle safety education account, the multiagency permitting team account, the multimodal transportation account, the municipal criminal justice assistance account, the municipal sales and use tax equalization account, the natural resources deposit account, the oyster reserve land account, the pension funding stabilization account, the perpetual surveillance and maintenance account, the public employees' retirement system plan 1 account, the public employees' retirement system combined plan 2 and plan 3 account, the public facilities construction loan revolving account beginning July 1, 2004, the public health supplemental account, the public transportation systems account, the public works assistance account, the Puget Sound capital construction account, the Puget Sound ferry operations account, the Puyallup tribal settlement account, the real estate appraiser commission account, the recreational vehicle account, the regional mobility grant program account, the resource management cost account, the rural arterial trust account, the rural Washington loan fund, the site closure account, the small city pavement and sidewalk account, the special category C account, the special wildlife account, the state employees' insurance account, the state employees' insurance reserve account, the state investment board expense account, the state investment board commingled trust fund accounts, the state patrol highway account, the state route number 520 civil penalties account, the state route number 520 corridor account, the supplemental pension account, the Tacoma Narrows toll bridge account, the teachers' retirement system plan 1 account, the teachers' retirement system combined plan 2 and plan 3 account, the tobacco prevention and control account, the tobacco settlement account, the transportation 2003 account (nickel account), the transportation equipment fund, the transportation fund, the transportation improvement account, the transportation improvement board bond retirement account, the transportation infrastructure account, the transportation partnership account, the traumatic brain injury account, the tuition recovery trust fund, the University of Washington bond retirement fund, the University of Washington building account, the urban arterial trust account, the volunteer firefighters' and reserve officers' relief and pension principal fund, the volunteer firefighters' and reserve officers' administrative fund, the Washington judicial retirement system account, the Washington law enforcement officers' and firefighters' system plan 1 retirement account, the Washington law enforcement officers' and firefighters' system plan 2 retirement account, the Washington public safety employees' plan 2 retirement account, the Washington school employees' retirement system

combined plan 2 and 3 account, the Washington state health insurance pool account, the Washington state patrol retirement account, the Washington State University building account, the Washington State University bond retirement fund, the water pollution control revolving fund, and the Western Washington University capital projects account. Earnings derived from investing balances of the agricultural permanent fund, the normal school permanent fund, the permanent common school fund, the scientific permanent fund, and the state university permanent fund shall be allocated to their respective beneficiary accounts.

(b) Any state agency that has independent authority over accounts or funds not statutorily required to be held in the state treasury that deposits funds into a fund or account in the state treasury pursuant to an agreement with the office of the state treasurer shall receive its proportionate share of earnings based upon each account's or fund's average daily balance for the period.

(5) In conformance with Article II, section 37 of the state Constitution, no treasury accounts or funds shall be allocated earnings without the specific affirmative directive of this section.

Sec. 7. RCW 47.64.120 and 2010 c 283 s 10 are each amended to read as follows:

(1) Except as otherwise provided in this chapter, the employer and ferry system employee organizations, through their collective bargaining representatives, shall meet at reasonable times to negotiate in good faith with respect to wages, hours, working conditions, and insurance, and other matters mutually agreed upon. Employer funded retirement benefits shall be provided under the public employees retirement system under chapter 41.40 RCW and shall not be included in the scope of collective bargaining. Except as provided under RCW 47.64.270, the employer is not required to bargain over health care benefits. Any retirement system or retirement benefits shall not be subject to collective bargaining.

(2) Upon ratification of bargaining agreements, ferry employees are entitled to an amount equivalent to the interest earned on retroactive compensation increases. For purposes of this section, the interest earned on retroactive compensation increases is the same monthly rate of interest that was earned on the amount of the compensation increases while held in the state treasury. The interest will be computed for each employee until the date the retroactive compensation is paid, and must be allocated in accordance with appropriation authority. The interest earned on retroactive compensation is not considered part of the ongoing compensation obligation of the state and is not compensation earnable for the purposes of chapter 41.40 RCW. Negotiations shall also include grievance procedures for resolving any questions arising under the agreement, which shall be embodied in a written agreement and signed by the parties.

(3) The employer shall not bargain over the rights of management as identified in RCW 41.80.040.

(4) A collective bargaining agreement may not contain any provision that extends the term of an existing collective bargaining agreement or applicability of items incompatible with this section in an existing collective bargaining agreement.

(5) Except as otherwise provided in this chapter, if a conflict exists between an executive order, administrative rule, or agency policy relating to wages,

hours, and terms and conditions of employment and a collective bargaining agreement negotiated under this chapter, the collective bargaining agreement shall prevail. A provision of a collective bargaining agreement that conflicts with the terms of a statute is invalid and unenforceable.

NEW SECTION. Sec. 8. A new section is added to chapter 47.64 RCW to read as follows:

(1) The captain of a Washington state ferry vessel, also known as the master of a vessel or the commanding officer, is the ultimate authority on, manager of, and has responsibility for the entire vessel and its Washington state ferries personnel while it is in service. The captain's responsibilities include, but are not limited to:

- (a) Ensuring the safe navigation of the vessel and its crew and passengers;
- (b) Following all applicable federal, state, and agency policies and regulations;
- (c) Supervising crew in performance, operations, training, security, and environmental protection;
- (d) Overseeing all aspects of vessel operations;
- (e) Ensuring that the vessel operations and its Washington state ferries personnel satisfy performance expectations set forth by the department; and
- (f) Managing vessel arrivals and departures, as well as all other vessel operations while the vessel is in service.

(3) Effective July 1, 2013, the public employment relations commission shall sever from the masters, mates, and pilots bargaining unit all captains. By August 31, 2011, if a majority of the captains in the masters, mates, and pilots bargaining unit indicate by vote that they desire to be included in a newly formed captains-only bargaining unit, the public employment relations commission shall certify a captains-only bargaining unit, to be effective July 1, 2013. For the vote described in this subsection, a union seeking to represent captains does not have to demonstrate a showing of interest to be included on a ballot. Notwithstanding the results of a vote, captains shall remain a part of the masters, mates, and pilots bargaining unit through June 30, 2013.

(4) If a new captains-only bargaining unit is created, the employer and the exclusive bargaining representative for the captains-only bargaining unit must negotiate a collective bargaining agreement exclusive to the captains-only bargaining unit.

(5) Beginning with negotiations covering the 2013-2015 biennium, the employer and the exclusive bargaining representative of the captains-only bargaining unit must negotiate agreements that are consistent with this section.

(6) A collective bargaining agreement may not contain any provision that extends the term of an existing collective bargaining agreement or applicability of items incompatible with this section in an existing collective bargaining agreement.

NEW SECTION. Sec. 9. A new section is added to chapter 47.64 RCW to read as follows:

For the purposes of this section and sections 10 through 15 of this act:

(1) "Management" means an employee at the Washington state ferries who is part of Washington management services or is exempt.

(2) "Performance measure" means measurable standards to be used by the department to evaluate the sufficiency of the services being provided to ferry riders.

(3) "Performance report" means a report that summarizes ferry system performance using the performance measures identified in sections 10 and 11 of this act.

(4) "Performance target" means the desired outcome of a performance measure.

NEW SECTION. Sec. 10. A new section is added to chapter 47.64 RCW to read as follows:

Performance targets must be established by an ad hoc committee with members from and designated by the office of the governor, which must include at least one member from labor. The committee may not consist of more than eleven members. By December 31, 2011, the committee shall present performance targets to the representatives of the legislative transportation committees and the joint transportation committee for review of the performance measures listed under this section. The committee may also develop performance measures in addition to the following:

(1) Safety performance as measured by passenger injuries per one million passenger miles and by injuries per ten thousand revenue service hours that are recordable by standards of the federal occupational safety and health administration and related to standard operating procedures;

(2) Service effectiveness measures including, but not limited to, passenger satisfaction of interactions with ferry employees, cleanliness and comfort of vessels and terminals, and satisfactory response to requests for assistance. Passenger satisfaction must be measured by an evaluation that is created by a contracted market research company and conducted by the Washington state transportation commission as part of the ferry riders' opinion group survey. The Washington state transportation commission shall, to the extent possible, integrate the passenger satisfaction evaluation into the ferry user data survey described in RCW 47.60.286;

(3) Cost-containment measures including, but not limited to, operating cost per passenger mile, operating cost per revenue service mile, discretionary overtime as a percentage of straight time, and gallons of fuel consumed per revenue service mile; and

(4) Maintenance and capital program effectiveness measures including, but not limited to: Project delivery rate as measured by the number of projects completed on time and within the omnibus transportation appropriations act; vessel and terminal design and engineering costs as measured by a percentage of the total capital program, including measurement of the ongoing operating and maintenance costs; and total vessel out-of-service time.

The ad hoc committee described in subsection (1) of this section expires December 31, 2011.

***NEW SECTION. Sec. 11.** A new section is added to chapter 47.64 RCW to read as follows:

(1) Beginning on October 1, 2011, the department shall report on peak-direction, peak-time, on-time performance by route for all runs except those delayed or canceled due to tidal conditions. On-time is defined as within ten

minutes of the scheduled time. Peak-time for the Mukilteo/Clinton, Edmonds/Kingston, Seattle/Bainbridge, Seattle/Bremerton, Fauntleroy/Vashon/Southworth, and Point Defiance/Tahlequah ferry routes means weekdays from 5:00 a.m. to 9:00 a.m. and 3:00 p.m. to 7:00 p.m. Peak-time for the Coupeville (Keystone)/Port Townsend and Anacortes/San Juan Island ferry routes means Fridays from 3:00 p.m. to closing, Saturdays all day, Sundays all day, holidays all day, and Mondays from opening to 12:00 p.m.

(2) The department shall, on a quarterly basis, report Washington state ferry system management's performance as it relates to the performance measure in subsection (1) of this section (a) to the transportation committees of the legislature, (b) on its vessels, (c) at all ferry terminals, and (d) on the department's web site. The statistics must include reasons for any delays over five minutes and any delays over ten minutes from the scheduled time.

(3) The department may not eliminate any ferry route without prior legislative approval.

*Sec. 11 was vetoed. See message at end of chapter.

NEW SECTION. Sec. 12. A new section is added to chapter 47.64 RCW to read as follows:

(1) The office of financial management shall complete a government management and accountability performance report that provides a baseline assessment of current performance on the performance measures identified in sections 10 and 11 of this act using final 2009-2011 data. This report must be presented to the legislature by November 1, 2011, through the attainment report required in RCW 47.01.071(5) and 47.04.280.

(2) By December 31, 2012, and each year thereafter, the office of financial management shall complete a performance report for the prior fiscal year. This report must be reviewed by the joint transportation committee.

(3) Management shall lead implementation of the performance measures in sections 10 and 11 of this act.

***NEW SECTION. Sec. 13.** A new section is added to chapter 47.64 RCW to read as follows:

If the Washington state ferries does not meet at least eighty percent of the performance target that is set for each performance measure identified in sections 10 and 11 of this act by June 30, 2013, as reported in the December 31, 2013, performance report described in section 12 of this act, the governor, with the consensus of the chairs and ranking minorities of the transportation committees of the legislature, shall appoint a governor's management representative who, within sixty days, shall develop and submit a corrective action plan to achieve the performance targets in sections 10 and 11 of this act within the following twelve months. The plan must be submitted to the governor and the transportation committees of the legislature.

*Sec. 13 was vetoed. See message at end of chapter.

***NEW SECTION. Sec. 14.** A new section is added to chapter 47.64 RCW to read as follows:

(1) If the Washington state ferries does not meet at least eighty percent of the performance target that is set for each performance measure identified in sections 10 and 11 of this act by June 30, 2013, as reported in the December

31, 2013, performance report described in section 12 of this act, the department must:

(a) Solicit a fixed cost bid for meeting the performance measures in sections 10 and 11 of this act, which must include a request for information or a request for qualifications to identify qualifications necessary and costs associated with privatizing the management functions of the Washington state ferries; and

(b) Present the results of the request for information or request for qualifications to the transportation committees of the legislature and the governor.

(2) In consultation with the governor's office, the transportation committees of the legislature shall utilize the information provided in subsection (1) of this section to determine whether or not to competitively contract out the management functions of the Washington state ferry system the following biennium.

(3) If the governor and the transportation committees of the legislature opt to competitively contract out the management functions of the Washington state ferry system in the following biennium, the contract must be a fixed cost contract that requires the private management services firm to meet or exceed the performance target for eighty percent of the performance measures under sections 10 and 11 of this act. Based on these performance measures, the contract must provide for incentive or retained payment arrangements as a means of ensuring satisfactory performance of the contract and improved performance of the ferry system over time.

(4) The contract must include a requirement that the firm retain existing and future collective bargaining agreements as negotiated between the state and the employees' labor representatives. The private management services firm may rehire Washington management services employees or exempt employees at the Washington state ferries.

(5) The contract must be for a two-year period. If the private management services firm meets or exceeds the performance measures under sections 10 and 11 of this act, the contract is renewable for an additional two years for a maximum of ten years. After ten years, the department shall implement an invitation for bid process.

(6) Consistent with RCW 41.06.142(3), the contract is not subject to requirements for agencies purchasing services that have been customarily and historically provided by state employees.

*Sec. 14 was vetoed. See message at end of chapter.

***NEW SECTION.** Sec. 15. A new section is added to chapter 47.64 RCW to read as follows:

The report required in RCW 47.01.071(5) and 47.04.280 must include the performance measures in sections 10 and 11 of this act.

*Sec. 15 was vetoed. See message at end of chapter.

NEW SECTION. Sec. 16. A new section is added to chapter 41.58 RCW to read as follows:

(1) There is created the marine employees' commission within the public employment relations commission. The governor shall appoint the marine employees' commission with the consent of the senate. The marine employees' commission shall consist of three members: One member to be appointed from

labor; one member from industry; and one member from the public who has significant knowledge of maritime affairs. The public member is chair of the marine employees' commission. Any member of the marine employees' commission may be removed by the governor, upon notice and hearing, for neglect of duty or malfeasance in office, but for no other cause. Marine employees' commission members are not eligible for state retirement under chapter 41.40 RCW by virtue of their service on the marine employees' commission. Members of the marine employees' commission must be compensated in accordance with RCW 43.03.250 and must receive reimbursement for official travel and other expenses at the same rate and on the same terms as provided for the transportation commission under RCW 47.01.061.

(2) The rules of procedure adopted by the public employment relations commission under RCW 41.58.050 apply to state ferry system employees, except that the marine employees' commission shall act in place of the public employment relations commission only for appeals of unfair labor practice complaints, questions concerning representation, and unit clarifications.

(3) In addition to subsection (2) of this section, the marine employees' commission shall perform the duties as provided in RCW 47.64.280.

(4) This section expires June 30, 2013.

Sec. 17. RCW 41.58.050 and 1975 1st ex.s. c 296 s 7 are each amended to read as follows:

The (~~board~~) commission shall have authority from time to time to make, amend, and rescind, in the manner prescribed by the administrative procedure act, chapter 34.05 RCW, such rules and regulations as may be necessary to carry out the provisions of this chapter.

Sec. 18. RCW 41.58.060 and 1983 c 15 s 22 are each amended to read as follows:

For any matter concerning the state ferry system and employee relations, collective bargaining, or labor disputes or stoppages, the provisions of this chapter and chapter 47.64 RCW shall govern. However, if a conflict exists between this chapter and chapter 47.64 RCW, this chapter shall govern.

Sec. 19. RCW 47.64.130 and 2010 c 8 s 10021 are each amended to read as follows:

(1) It is an unfair labor practice for the employer or its representatives:

(a) To interfere with, restrain, or coerce employees in the exercise of the rights guaranteed by this chapter;

(b) To dominate or interfere with the formation or administration of any employee organization or contribute financial or other support to it. However, subject to rules made by the public employment relations commission pursuant to RCW (~~47.64.280~~) 41.58.050, an employer shall not be prohibited from permitting employees to confer with it or its representatives or agents during working hours without loss of time or pay;

(c) To encourage or discourage membership in any employee organization by discrimination in regard to hiring, tenure of employment, or any term or condition of employment, but nothing contained in this subsection prevents an employer from requiring, as a condition of continued employment, payment of periodic dues and fees uniformly required to an exclusive bargaining

representative pursuant to RCW 47.64.160. However, nothing prohibits the employer from agreeing to obtain employees by referral from a lawful hiring hall operated by or participated in by a labor organization;

(d) To discharge or otherwise discriminate against an employee because he or she has filed charges or given testimony under this chapter;

(e) To refuse to bargain collectively with the representatives of its employees.

(2) It is an unfair labor practice for an employee organization:

(a) To restrain or coerce (i) employees in the exercise of the rights guaranteed by this chapter. However, this subsection does not impair the right of an employee organization to prescribe its own rules with respect to the acquisition or retention of membership therein, or (ii) an employer in the selection of his or her representatives for the purposes of collective bargaining or the adjustment of grievances;

(b) To cause or attempt to cause an employer to discriminate against an employee in violation of subsection (1)(c) of this section;

(c) To refuse to bargain collectively with an employer.

(3) The expression of any view, argument, or opinion, or the dissemination thereof to the public, whether in written, printed, graphic, or visual form, shall not constitute or be evidence of an unfair labor practice under any of the provisions of this chapter, if the expression contains no threat of reprisal or force or promise of benefit.

Sec. 20. RCW 47.64.280 and 2010 c 283 s 14 are each amended to read as follows:

~~(1) ((There is created the marine employees' commission. The governor shall appoint the commission with the consent of the senate. The commission shall consist of three members: One member to be appointed from labor, one member from industry, and one member from the public who has significant knowledge of maritime affairs. The public member shall be chair of the commission. One of the original members shall be appointed for a term of three years, one for a term of four years, and one for a term of five years. Their successors shall be appointed for terms of five years each, except that any person chosen to fill a vacancy shall be appointed only for the unexpired term of the member whom he or she succeeds. Commission members are eligible for reappointment. Any member of the commission may be removed by the governor, upon notice and hearing, for neglect of duty or malfeasance in office, but for no other cause. Commission members are not eligible for state retirement under chapter 41.40 RCW by virtue of their service on the commission. Members of the commission shall be compensated in accordance with RCW 43.03.250 and shall receive reimbursement for official travel and other expenses at the same rate and on the same terms as provided for the transportation commission by RCW 47.01.061. The payments shall be made from the Puget Sound ferry operations account.~~

~~(2)) The marine employees' commission, created in section 16 of this act, shall~~((; (a))~~ adjust all complaints, grievances, and disputes between labor and management arising out of the operation of the ferry system as provided in RCW 47.64.150~~((; (b) provide for impasse mediation as required in RCW 47.64.210; and (c) perform those duties required in RCW 47.64.300.~~~~

~~(3)(a) In adjudicating all complaints, grievances, and disputes, the party claiming labor disputes shall, in writing, notify the commission, which shall make careful inquiry into the cause thereof and issue an order advising the ferry employee, or the ferry employee organization representing him or her, and the department of transportation, as to the decision of the commission.~~

~~(b) The parties are entitled to offer evidence relating to disputes at all hearings conducted by the commission. The orders and awards of the commission are final and binding upon any ferry employee or employees or their representative affected thereby and upon the department.~~

~~(c) The commission shall adopt rules of procedure under chapter 34.05 RCW.~~

~~(d) The commission has the authority to subpoena any ferry employee or employees, or their representatives, and any member or representative of the department, and any witnesses. The commission may require attendance of witnesses and the production of all pertinent records at any hearings held by the commission. The subpoenas of the commission are enforceable by order of any superior court in the state of Washington for the county within which the proceeding may be pending. The commission may hire staff as necessary, appoint consultants, enter into contracts, and conduct studies as reasonably necessary to carry out this chapter).~~

(2) All unfair labor practice complaints, questions concerning representation, and unit clarifications must be filed with the public employment relations commission and processed in accordance with the commission's rules adopted under RCW 41.58.050, except that the marine employees' commission shall act in place of the public employment relations commission only for appeals.

(3) This section expires June 30, 2013.

Sec. 21. RCW 47.64.300 and 2007 c 160 s 4 are each amended to read as follows:

(1) If an agreement has not been reached following a reasonable period of negotiations and, when applicable, mediation, upon the recommendation of the assigned mediator that the parties remain at impasse or, with respect to biennial bargaining, in compliance with the interest arbitration agreement under RCW 47.64.170(6)(a), all impasse items shall be submitted to arbitration under this section. The issues for arbitration shall be limited to the issues certified by the ~~((commission))~~ executive director.

(2) The parties may agree to submit the dispute to a single arbitrator, whose authority and duties shall be the same as those of an arbitration panel. If the parties cannot agree on the arbitrator within five working days, the selection shall be made under subsection (3) of this section, except with respect to biennial bargaining described under RCW 47.64.170(6). The full costs of arbitration under this section shall be shared equally by the parties to the dispute.

(3) Within seven days following the issuance of the determination of the ~~((commission))~~ executive director, each party shall, absent an agreement to the contrary, name one person to serve as its arbitrator on the arbitration panel. Except with respect to biennial bargaining described under RCW 47.64.170(6), the two members so appointed shall meet within seven days following the appointment of the later appointed member to attempt to choose a third member to act as the neutral chair of the arbitration panel. Upon the failure of the

arbitrators to select a neutral chair within seven days, either party may apply to the federal mediation and conciliation service, or, with the consent of the parties, the American arbitration association to provide a list of five qualified arbitrators from which the neutral chair shall be chosen. Each party shall pay the fees and expenses of its arbitrator, and the fees and expenses of the neutral chair shall be shared equally between the parties.

(4) In consultation with the parties, the arbitrator or arbitration panel shall promptly establish a date, time, and place for a hearing and shall provide reasonable notice thereof to the parties to the dispute. The parties shall exchange final positions in writing, with copies to the arbitrator or arbitration panel, with respect to every issue to be arbitrated, on a date mutually agreed upon, but in no event later than ten working days before the date set for hearing. A hearing, which shall be informal, shall be held, and each party shall have the opportunity to present evidence and make argument. No member of the arbitration panel may present the case for a party to the proceedings. The rules of evidence prevailing in judicial proceedings may be considered, but are not binding, and any oral testimony or documentary evidence or other data deemed relevant by the chair of the arbitration panel may be received in evidence. A recording of the proceedings shall be taken. The arbitration panel has the power to administer oaths, require the attendance of witnesses, and require the production of such books, papers, contracts, agreements, and documents as may be deemed by the panel to be material to a just determination of the issues in dispute. If any person refuses to obey a subpoena issued by the arbitration panel, or refuses to be sworn or to make an affirmation to testify, or any witness, party, or attorney for a party is guilty of any contempt while in attendance at any hearing held hereunder, the arbitration panel may invoke the jurisdiction of the superior court in the county where the labor dispute exists, and the court has jurisdiction to issue an appropriate order. Any failure to obey the order may be punished by the court as a contempt thereof.

(5) The neutral chair shall consult with the other members of the arbitration panel, if a panel has been created. Within thirty days following the conclusion of the hearing, or sooner as the October 1st deadline set forth in RCW 47.64.170 (6)(c) and (7) necessitates, the neutral chair shall make written findings of fact and a written determination of the issues in dispute, based on the evidence presented. A copy thereof shall be served on each of the other members of the arbitration panel, and on each of the parties to the dispute. That determination is final and binding upon both parties, subject to review by the superior court upon the application of either party solely upon the question of whether the decision of the panel was arbitrary or capricious.

Sec. 22. RCW 41.06.070 and 2010 c 271 s 801, 2010 c 2 s 2, and 2010 c 1 s 1 are each reenacted and amended to read as follows:

(1) The provisions of this chapter do not apply to:

(a) The members of the legislature or to any employee of, or position in, the legislative branch of the state government including members, officers, and employees of the legislative council, joint legislative audit and review committee, statute law committee, and any interim committee of the legislature;

(b) The justices of the supreme court, judges of the court of appeals, judges of the superior courts or of the inferior courts, or to any employee of, or position in the judicial branch of state government;

- (c) Officers, academic personnel, and employees of technical colleges;
- (d) The officers of the Washington state patrol;
- (e) Elective officers of the state;
- (f) The chief executive officer of each agency;
- (g) In the departments of employment security and social and health services, the director and the director's confidential secretary; in all other departments, the executive head of which is an individual appointed by the governor, the director, his or her confidential secretary, and his or her statutory assistant directors;
- (h) In the case of a multimember board, commission, or committee, whether the members thereof are elected, appointed by the governor or other authority, serve ex officio, or are otherwise chosen:
 - (i) All members of such boards, commissions, or committees;
 - (ii) If the members of the board, commission, or committee serve on a part-time basis and there is a statutory executive officer: The secretary of the board, commission, or committee; the chief executive officer of the board, commission, or committee; and the confidential secretary of the chief executive officer of the board, commission, or committee;
 - (iii) If the members of the board, commission, or committee serve on a full-time basis: The chief executive officer or administrative officer as designated by the board, commission, or committee; and a confidential secretary to the chair of the board, commission, or committee;
 - (iv) If all members of the board, commission, or committee serve ex officio: The chief executive officer; and the confidential secretary of such chief executive officer;
- (i) The confidential secretaries and administrative assistants in the immediate offices of the elective officers of the state;
- (j) Assistant attorneys general;
- (k) Commissioned and enlisted personnel in the military service of the state;
- (l) Inmate, student, part-time, or temporary employees, and part-time professional consultants, as defined by the Washington personnel resources board;
- (m) The public printer or to any employees of or positions in the state printing plant;
- (n) Officers and employees of the Washington state fruit commission;
- (o) Officers and employees of the Washington apple commission;
- (p) Officers and employees of the Washington state dairy products commission;
- (q) Officers and employees of the Washington tree fruit research commission;
- (r) Officers and employees of the Washington state beef commission;
- (s) Officers and employees of the Washington grain commission;
- (t) Officers and employees of any commission formed under chapter 15.66 RCW;
- (u) Officers and employees of agricultural commissions formed under chapter 15.65 RCW;
- (v) Officers and employees of the nonprofit corporation formed under chapter 67.40 RCW;

(w) Executive assistants for personnel administration and labor relations in all state agencies employing such executive assistants including but not limited to all departments, offices, commissions, committees, boards, or other bodies subject to the provisions of this chapter and this subsection shall prevail over any provision of law inconsistent herewith unless specific exception is made in such law;

(x) In each agency with fifty or more employees: Deputy agency heads, assistant directors or division directors, and not more than three principal policy assistants who report directly to the agency head or deputy agency heads;

(y) ~~((All employees of the marine employees' commission;~~

~~(z)))~~ Staff employed by the department of commerce to administer energy policy functions;

~~((aa)))~~ (z) The manager of the energy facility site evaluation council;

~~((bb)))~~ (aa) A maximum of ten staff employed by the department of commerce to administer innovation and policy functions, including the three principal policy assistants exempted under (x) of this subsection;

~~((ee)))~~ (bb) Staff employed by Washington State University to administer energy education, applied research, and technology transfer programs under RCW 43.21F.045 as provided in RCW 28B.30.900(5).

(2) The following classifications, positions, and employees of institutions of higher education and related boards are hereby exempted from coverage of this chapter:

(a) Members of the governing board of each institution of higher education and related boards, all presidents, vice presidents, and their confidential secretaries, administrative, and personal assistants; deans, directors, and chairs; academic personnel; and executive heads of major administrative or academic divisions employed by institutions of higher education; principal assistants to executive heads of major administrative or academic divisions; other managerial or professional employees in an institution or related board having substantial responsibility for directing or controlling program operations and accountable for allocation of resources and program results, or for the formulation of institutional policy, or for carrying out personnel administration or labor relations functions, legislative relations, public information, development, senior computer systems and network programming, or internal audits and investigations; and any employee of a community college district whose place of work is one which is physically located outside the state of Washington and who is employed pursuant to RCW 28B.50.092 and assigned to an educational program operating outside of the state of Washington;

(b) The governing board of each institution, and related boards, may also exempt from this chapter classifications involving research activities, counseling of students, extension or continuing education activities, graphic arts or publications activities requiring prescribed academic preparation or special training as determined by the board: PROVIDED, That no nonacademic employee engaged in office, clerical, maintenance, or food and trade services may be exempted by the board under this provision;

(c) Printing craft employees in the department of printing at the University of Washington.

(3) In addition to the exemptions specifically provided by this chapter, the director of personnel may provide for further exemptions pursuant to the

following procedures. The governor or other appropriate elected official may submit requests for exemption to the director of personnel stating the reasons for requesting such exemptions. The director of personnel shall hold a public hearing, after proper notice, on requests submitted pursuant to this subsection. If the director determines that the position for which exemption is requested is one involving substantial responsibility for the formulation of basic agency or executive policy or one involving directing and controlling program operations of an agency or a major administrative division thereof, the director of personnel shall grant the request and such determination shall be final as to any decision made before July 1, 1993. The total number of additional exemptions permitted under this subsection shall not exceed one percent of the number of employees in the classified service not including employees of institutions of higher education and related boards for those agencies not directly under the authority of any elected public official other than the governor, and shall not exceed a total of twenty-five for all agencies under the authority of elected public officials other than the governor.

The salary and fringe benefits of all positions presently or hereafter exempted except for the chief executive officer of each agency, full-time members of boards and commissions, administrative assistants and confidential secretaries in the immediate office of an elected state official, and the personnel listed in subsections (1)(j) through (v) ~~((and (y)))~~ and (2) of this section, shall be determined by the director of personnel. Changes to the classification plan affecting exempt salaries must meet the same provisions for classified salary increases resulting from adjustments to the classification plan as outlined in RCW 41.06.152.

From February 18, 2009, through June 30, 2011, a salary or wage increase shall not be granted to any position exempt from classification under this chapter, except that a salary or wage increase may be granted to employees pursuant to collective bargaining agreements negotiated under chapter 28B.52, 41.56, 47.64, or 41.76 RCW, or negotiated by the nonprofit corporation formed under chapter 67.40 RCW, and except that increases may be granted for positions for which the employer has demonstrated difficulty retaining qualified employees if the following conditions are met:

- (a) The salary increase can be paid within existing resources; and
- (b) The salary increase will not adversely impact the provision of client services.

Any agency granting a salary increase from February 15, 2010, through June 30, 2011, to a position exempt from classification under this chapter shall submit a report to the fiscal committees of the legislature no later than July 31, 2011, detailing the positions for which salary increases were granted, the size of the increases, and the reasons for giving the increases.

Any person holding a classified position subject to the provisions of this chapter shall, when and if such position is subsequently exempted from the application of this chapter, be afforded the following rights: If such person previously held permanent status in another classified position, such person shall have a right of reversion to the highest class of position previously held, or to a position of similar nature and salary.

Any classified employee having civil service status in a classified position who accepts an appointment in an exempt position shall have the right of

reversion to the highest class of position previously held, or to a position of similar nature and salary.

A person occupying an exempt position who is terminated from the position for gross misconduct or malfeasance does not have the right of reversion to a classified position as provided for in this section.

From February 15, 2010, until June 30, 2011, no monetary performance-based awards or incentives may be granted by the director or employers to employees covered by rules adopted under this section. This subsection does not prohibit the payment of awards provided for in chapter 41.60 RCW.

NEW SECTION. Sec. 23. (1) Consistent with section 16 of this act, the marine employees' commission's powers, duties, and functions are transferred to the public employment relations commission.

(2)(a) All reports, documents, surveys, books, records, files, papers, or written material in the possession of the marine employees' commission shall be delivered to the custody of the public employment relations commission. All cabinets, furniture, office equipment, motor vehicles, and other tangible property employed by the marine employees' commission shall be made available to the public employment relations commission. All funds, credits, or other assets held by the marine employees' commission shall be assigned to the public employment relations commission.

(b) Any appropriations made to the marine employees' commission shall, on the effective date of this section, be transferred and credited to the public employment relations commission.

(c) If any question arises as to the transfer of any personnel, funds, books, documents, records, papers, files, equipment, or other tangible property used or held in the exercise of the powers and the performance of the duties and functions transferred, the director of financial management shall make a determination as to the proper allocation and certify the same to the state agencies concerned.

(3) All pending business before the marine employees' commission shall be continued and acted upon by the public employment relations commission. All existing contracts and obligations shall remain in full force and shall be performed by the public employment relations commission.

(4) The transfer of the powers, duties, and functions of the marine employees' commission shall not affect the validity of any act performed before the effective date of this section.

(5) If apportionments of budgeted funds are required because of the transfers directed by this section, the director of financial management shall certify the apportionments to the agencies affected, the state auditor, and the state treasurer. Each of these shall make the appropriate transfer and adjustments in funds and appropriation accounts and equipment records in accordance with the certification.

Sec. 24. RCW 47.64.011 and 2006 c 164 s 1 are each amended to read as follows:

As used in this chapter, unless the context otherwise requires, the definitions in this section shall apply.

(1) "Collective bargaining representative" means the persons designated by the governor and employee organizations to be the exclusive representatives during collective bargaining negotiations.

(2) "Commission" means the ~~((marine employees'))~~ public employment relations commission created in RCW ~~((47.64.280))~~ 41.58.010.

(3) "Department of transportation" means the department as defined in RCW 47.01.021.

(4) "Employer" means the state of Washington.

(5) "Executive director" means the executive director of the commission.

~~(6)~~ (7) "Ferry employee" means any employee of the marine transportation division of the department of transportation who is a member of a collective bargaining unit represented by a ferry employee organization and does not include an exempt employee pursuant to RCW 41.06.079.

~~((6))~~ (7) "Ferry employee organization" means any labor organization recognized to represent a collective bargaining unit of ferry employees.

~~((7))~~ (8) "Lockout" means the refusal of the employer to furnish work to ferry employees in an effort to get ferry employee organizations to make concessions during collective bargaining, grievance, or other labor relation negotiations. Curtailment of employment of ferry employees due to lack of work resulting from a strike or work stoppage shall not be considered a lockout.

~~((8))~~ (9) "Office of financial management" means the office as created in RCW 43.41.050.

~~((9))~~ (10) "Strike or work stoppage" means a ferry employee's refusal, in concerted action with others, to report to duty, or his or her willful absence from his or her position, or his or her stoppage or slowdown of work, or his or her abstinence in whole or in part from the full, faithful, and proper performance of the duties of employment, for the purpose of inducing, influencing, or coercing a change in conditions, compensation, rights, privileges, or obligations of his, her, or any other ferry employee's employment. A refusal, in good faith, to work under conditions which pose an endangerment to the health and safety of ferry employees or the public, as determined by the master of the vessel, shall not be considered a strike for the purposes of this chapter.

Sec. 25. RCW 47.64.090 and 2003 c 373 s 3 and 2003 c 91 s 1 are each reenacted and amended to read as follows:

(1) Except as provided in RCW 47.60.656 and subsections (2) and (4) of this section, or as provided in RCW 36.54.130 and subsection (3) of this section, if any party assumes the operation and maintenance of any ferry or ferry system by rent, lease, or charter from the department of transportation, such party shall assume and be bound by all the provisions herein and any agreement or contract for such operation of any ferry or ferry system entered into by the department shall provide that the wages to be paid, hours of employment, working conditions, and seniority rights of employees will be established by the ~~((marine employees'))~~ commission in accordance with the terms and provisions of this chapter and it shall further provide that all labor disputes shall be adjudicated in accordance with chapter 47.64 RCW.

(2) If a public transportation benefit area meeting the requirements of RCW 36.57A.200 has voter approval to operate passenger-only ferry service, it may enter into an agreement with Washington State Ferries to rent, lease, or purchase passenger-only vessels, related equipment, or terminal space for purposes of

loading and unloading the passenger-only ferry. Charges for the vessels, equipment, and space must be fair market value taking into account the public benefit derived from the ferry service. A benefit area or subcontractor of that benefit area that qualifies under this subsection is not subject to the restrictions of subsection (1) of this section, but is subject to:

(a) The terms of those collective bargaining agreements that it or its subcontractors negotiate with the exclusive bargaining representatives of its or its subcontractors' employees under chapter 41.56 RCW or the National Labor Relations Act, as applicable;

(b) Unless otherwise prohibited by federal or state law, a requirement that the benefit area and any contract with its subcontractors, give preferential hiring to former employees of the department of transportation who separated from employment with the department because of termination of the ferry service by the state of Washington; and

(c) Unless otherwise prohibited by federal or state law, a requirement that the benefit area and any contract with its subcontractors, on any questions concerning representation of employees for collective bargaining purposes, may be determined by conducting a cross-check comparing an employee organization's membership records or bargaining authorization cards against the employment records of the employer.

(3) If a ferry district is formed under RCW 36.54.110 to operate passenger-only ferry service, it may enter into an agreement with Washington State Ferries to rent, lease, or purchase vessels, related equipment, or terminal space for purposes of loading and unloading the ferry. Charges for the vessels, equipment, and space must be fair market value taking into account the public benefit derived from the ferry service. A ferry district or subcontractor of that district that qualifies under this subsection is not subject to the restrictions of subsection (1) of this section, but is subject to:

(a) The terms of those collective bargaining agreements that it or its subcontractors negotiate with the exclusive bargaining representatives of its or its subcontractors' employees under chapter 41.56 RCW or the National Labor Relations Act, as applicable;

(b) Unless otherwise prohibited by federal or state law, a requirement that the ferry district and any contract with its subcontractors, give preferential hiring to former employees of the department of transportation who separated from employment with the department because of termination of the ferry service by the state of Washington; and

(c) Unless otherwise prohibited by federal or state law, a requirement that the ferry district and any contract with its subcontractors, on any questions concerning representation of employees for collective bargaining purposes, may be determined by conducting a cross-check comparing an employee organization's membership records or bargaining authorization cards against the employment records of the employer.

(4) The department of transportation shall make its terminal, dock, and pier space available to private operators of passenger-only ferries if the space can be made available without limiting the operation of car ferries operated by the department. These private operators are not bound by the provisions of subsection (1) of this section. Charges for the equipment and space must be fair

market value taking into account the public benefit derived from the passenger-only ferry service.

NEW SECTION, Sec. 26. A new section is added to chapter 47.64 RCW to read as follows:

(1) The commission is empowered and directed to prevent any unfair labor practice and to issue appropriate remedial orders; however, a complaint shall not be processed for any unfair labor practice occurring more than six months before the filing of the complaint with the commission. This power shall not be affected or impaired by any means of adjustment, mediation, or conciliation in labor disputes that have been or may hereafter be established by law.

(2) If the commission determines that any person has engaged in or is engaging in an unfair labor practice, the commission shall issue and cause to be served upon the person an order requiring the person to cease and desist from such unfair labor practice, and to take such affirmative action as will effectuate the purposes and policy of this chapter, such as the payment of damages and the reinstatement of employees.

(3) The commission may petition the superior court for the county in which the main office of the employer is located or in which the person who has engaged or is engaging in such unfair labor practice resides or transacts business, for the enforcement of its order and for appropriate temporary relief.

NEW SECTION, Sec. 27. A new section is added to chapter 47.64 RCW to read as follows:

(1) The commission shall determine all questions pertaining to representation and shall administer all elections and be responsible for the processing and adjudication of all disputes that arise as a consequence of elections. The commission shall adopt rules that provide for at least the following:

- (a) Secret balloting;
- (b) Consulting with employee organizations;
- (c) Access to lists of employees, job classification, work locations, and home mailing addresses;
- (d) Absentee voting;
- (e) Procedures for the greatest possible participation in voting;
- (f) Campaigning on the employer's property during working hours; and
- (g) Election observers.

(2) If an employee organization has been certified as the exclusive bargaining representative of the employees of a bargaining unit, the employee organization may act for and negotiate master collective bargaining agreements that will include within the coverage of the agreement all employees in the bargaining unit.

(3) The certified exclusive bargaining representative is responsible for representing the interests of all the employees in the bargaining unit. This section shall not be construed to limit an exclusive representative's right to exercise its discretion to refuse to process grievances of employees that are unmeritorious.

(4) No question concerning representation may be raised if:

- (a) Fewer than twelve months have elapsed since the last certification or election; or

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(b) A valid collective bargaining agreement exists covering the unit, except for that period of no more than one hundred twenty calendar days and no less than ninety calendar days before the expiration of the contract.

NEW SECTION. Sec. 28. The following acts or parts of acts are each repealed:

- (1) RCW 47.64.080 (Employee seniority rights) and 1984 c 7 s 341 & 1961 c 13 s 47.64.080; and
- (2) RCW 47.64.150 (Grievance procedures) and 1983 c 15 s 6.

NEW SECTION. Sec. 29. 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.

NEW SECTION. Sec. 30. Sections 1 through 15 of this act are necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and take effect immediately.

NEW SECTION. Sec. 31. Sections 16 through 25 of this act are necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and take effect July 1, 2011.

NEW SECTION. Sec. 32. Sections 26 through 28 of this act take effect July 1, 2013.

Passed by the Senate May 23, 2011.

Passed by the House May 22, 2011.

Approved by the Governor June 7, 2011, with the exception of certain items that were vetoed.

Filed in Office of Secretary of State June 8, 2011.

Note: Governor's explanation of partial veto is as follows:

"I am returning herewith, without my approval as to Sections 11, 13, 14, and 15, Second Engrossed Substitute Senate Bill 5742 entitled:

"AN ACT Relating to the Washington state ferry system."

Section 11 requires the Washington State Department of Transportation (WSDOT) to provide quarterly on-time performance reports to the Legislature and to post the data on vessels, at terminals, and on the WSDOT's website. I am vetoing this section because Washington State Ferries already reports on-time performance through the Government Management Accountability and Performance program (GMAP), and quarterly reports are posted on the GMAP website.

Sections 13 and 14 contain conflicting requirements for actions that must be taken if Washington State Ferries does not meet at least eighty percent of performance measure targets. Section 13 requires that the governor appoint a management representative and Section 14 requires WSDOT to solicit requests for qualifications to privatize Washington State Ferries management. In addition, I do not believe either of these requirements is necessary or practicable.

Section 15 requires the Office of Financial Management's (OFM) Attainment Report to include the performance measures in Sections 10 and 11. Once the ad hoc committee in Section 10 completes its work, a determination will be made regarding the high-level performance indicators that should be included in the Attainment Report. Accordingly, I am vetoing this section so the ad hoc committee's recommendations can be considered.

For these reasons, I have vetoed Sections 11, 13, 14, and 15 of Second Engrossed Substitute Senate Bill 5742.

With the exception of Sections 11, 13, 14, and 15, Second Engrossed Substitute Senate Bill 5742 is approved."

CHAPTER 17

[House Bill 1131]

STUDENT ACHIEVEMENT PROGRAM—FUND ALLOCATIONS

AN ACT Relating to student achievement fund allocations; reenacting and amending RCW 28A.505.220; providing an effective date; and declaring an emergency.

Be it enacted by the Legislature of the State of Washington:

Sec. 1. RCW 28A.505.220 and 2009 c 541 s 1 and 2009 c 479 s 18 are each reenacted and amended to read as follows:

(1) Total distributions for the student achievement program from the general fund to each school district shall be based upon the average number of full-time equivalent students in the school district during the previous school year as reported to the office of the superintendent of public instruction by August 31st of the previous school year. The superintendent of public instruction shall ensure that moneys generated by skill center students are returned to skill centers.

(2) The allocation rate per full-time equivalent student shall be three hundred dollars in the 2005-06 school year, three hundred seventy-five dollars in the 2006-07 school year, and four hundred fifty dollars in the 2007-08 school year. For each subsequent school year, the amount allocated per full-time equivalent student shall be adjusted for inflation by the implicit price deflator as published by the federal bureau of labor statistics. However, for the ~~((2009-10 and 2010-11))~~ 2011-12 and 2012-13 school years, the amount allocated per full-time equivalent student shall be as specified in the omnibus appropriations act. ~~((For the 2011-12 school year and thereafter, amounts allocated shall be further adjusted so that the allocations are equal to what they would have been if allocations had not been reduced for the 2009-10 and 2010-11 school years.))~~ These allocations per full-time equivalent student shall be supported from the distributions from the education legacy trust account created in RCW 83.100.230 and the state general fund.

(3) The school district annual amounts as defined in subsection (2) of this section shall be distributed on the monthly apportionment schedule as defined in RCW 28A.510.250.

~~((4) However, during the 2008-09 school year, the school district annual amounts as defined in this section shall be distributed as follows:~~

~~September: 9.0 percent;
 October: 9.0 percent;
 November: 5.5 percent;
 December: 9.0 percent;
 January: 9.0 percent;
 February: 9.0 percent;
 March: 9.0 percent;
 April: 9.0 percent;
 May: 5.5 percent;~~

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~~June:~~ 4.2 percent;
~~July:~~ 11.8 percent; and
~~August:~~ 10.0 percent.))

NEW SECTION. **Sec. 2.** This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and takes effect July 1, 2011.

Passed by the House May 9, 2011.
Passed by the Senate May 24, 2011.
Approved by the Governor June 7, 2011.
Filed in Office of Secretary of State June 8, 2011.

CHAPTER 18

[Second Substitute House Bill 1132]

EDUCATIONAL AND ACADEMIC EMPLOYEES—COMPENSATION REDUCTION

AN ACT Relating to reducing compensation for educational and academic employees; amending RCW 28A.400.205, 28B.50.465, 28B.50.468, 28A.405.415, and 28A.415.020; reenacting and amending RCW 28A.415.023; providing an effective date; and declaring an emergency.

Be it enacted by the Legislature of the State of Washington:

Sec. 1. RCW 28A.400.205 and 2009 c 573 s 1 are each amended to read as follows:

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

(a) The cost-of-living increase shall be calculated by applying the rate of the yearly increase in the cost-of-living index to any state-funded salary base used in state funding formulas for teachers and other school district employees. Beginning with the 2001-02 school year, and for each subsequent school year, except for the ~~((2009-10 and 2010-11))~~ 2011-12 and 2012-13 school years, each school district shall be provided a cost-of-living allocation sufficient to grant this cost-of-living increase.

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

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

~~((d) During the 2011-2013 and 2013-2015 fiscal biennia, in addition to cost of living allocations required by (a) of this subsection, school districts shall receive additional cost of living allocations in equal increments such that by the end of the 2014-15 school year school district employee base salaries used with~~

~~the statewide salary allocation schedule established under RCW 28A.150.410 and any other state salary models used to recognize school district personnel costs are, at a minimum, equal to what they would have been if cost of living allocations had not been suspended during the 2009-10 or 2010-11 school years.))~~

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

Sec. 2. RCW 28B.50.465 and 2009 c 573 s 2 are each amended to read as follows:

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

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

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

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

(d) Beginning with the 2001-2002 fiscal year, and for each subsequent fiscal year except for the ~~((2009-2010 and 2010-2011))~~ 2011-2012 and 2012-2013 fiscal years, the state shall fully fund the cost-of-living increase set forth in this section.

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

(2) For the purposes of this section, "cost-of-living index" means, for any fiscal year, the previous calendar year's annual average consumer price index, using the official current base, compiled by the bureau of labor statistics, United States department of labor for the state of Washington. If the bureau of labor

statistics develops more than one consumer price index for areas within the state, the index covering the greatest number of people, covering areas exclusively within the boundaries of the state, and including all items shall be used for the cost-of-living index in this section.

Sec. 3. RCW 28B.50.468 and 2009 c 573 s 3 are each amended to read as follows:

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

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

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

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

(d) Beginning with the 2001-2002 fiscal year, and for each subsequent fiscal year except for the ~~((2009-2010 and 2010-2011))~~ 2011-2012 and 2012-2013 fiscal years, the state shall fully fund the cost-of-living increase set forth in this section.

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

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

Sec. 4. RCW 28A.405.415 and 2009 c 539 s 6 are each amended to read as follows:

(1) Certificated instructional staff who have attained certification from the national board for professional teaching standards shall receive a bonus each

year in which they maintain the certification. The bonus shall be calculated as follows: The annual bonus shall be five thousand dollars in the 2007-08 school year. Thereafter, the annual bonus shall increase by inflation. For the ~~((2009-10 and 2010-11))~~ 2011-12 and 2012-13 school years the annual bonus shall be subject to the availability of amounts appropriated for this purpose. ~~((During the 2011-2013 and 2013-2015 fiscal biennia, in addition to annual adjustments for inflation, the bonus amount shall be additionally increased such that, by the end of the 2014-15 school year, national board bonus amounts are, at a minimum, equal to what they would have been if annual adjustments for inflation had not been suspended during the 2009-10 or 2010-11 school year.))~~

(2) Certificated instructional staff who have attained certification from the national board for professional teaching standards shall be eligible for bonuses in addition to that provided by subsection (1) of this section if the individual is in an instructional assignment in a school in which at least seventy percent of the students qualify for the free and reduced-price lunch program.

(3) The amount of the additional bonus under subsection (2) of this section for those meeting the qualifications of subsection (2) of this section is five thousand dollars.

(4) The bonuses provided under this section are in addition to compensation received under a district's salary schedule adopted in accordance with RCW 28A.405.200 and shall not be included in calculations of a district's average salary and associated salary limitations under RCW 28A.400.200.

(5) The bonuses provided under this section shall be paid in a lump sum amount.

Sec. 5. RCW 28A.415.020 and 2007 c 319 s 3 are each amended to read as follows:

(1) Certificated personnel shall receive for each ten clock hours of approved in-service training attended the equivalent of a one credit college quarter course on the salary schedule developed by the legislative evaluation and accountability program committee.

(2) Certificated personnel shall receive for each ten clock hours of approved continuing education earned, as continuing education is defined by rule adopted by the professional educator standards board, the equivalent of a one credit college quarter course on the salary schedule developed by the legislative evaluation and accountability program committee.

(3) Certificated personnel shall receive for each forty clock hours of participation in an approved internship with a business, an industry, or government, as an internship is defined by rule of the professional educator standards board in accordance with RCW 28A.415.025, the equivalent of a one credit college quarter course on the salary schedule developed by the legislative evaluation and accountability program committee.

(4) An approved in-service training program shall be a program approved by a school district board of directors, which meet standards adopted by the professional educator standards board, and the development of said program has been participated in by an in-service training task force whose membership is the same as provided under RCW 28A.415.040, or a program offered by an education agency approved to provide in-service for the purposes of continuing education as provided for under rules adopted by the professional educator standards board, or both.

(5) Clock hours eligible for application to the salary schedule developed by the legislative evaluation and accountability program committee as described in subsections (1) and (2) of this section, shall be those hours acquired after August 31, 1987. Clock hours eligible for application to the salary schedule as described in subsection (3) of this section shall be those hours acquired after December 31, 1995.

(6) In-service training or continuing education in first peoples' language, culture, or oral tribal traditions provided by a sovereign tribal government participating in the Washington state first peoples' language, culture, and oral tribal traditions teacher certification program authorized under RCW 28A.410.045 shall be considered approved in-service training or approved continuing education under this section and RCW 28A.415.023.

(7) For the 2011-12 and 2012-13 school years, application of credits or credit equivalents earned under this section after October 1, 2010, to the salary schedule developed by the legislative evaluation and accountability program committee is subject to any conditions or limitations contained in the omnibus operating appropriations act.

Sec. 6. RCW 28A.415.023 and 2005 c 497 s 209 and 2005 c 393 s 1 are each reenacted and amended to read as follows:

(1) Credits earned by certificated instructional staff after September 1, 1995, shall be eligible for application to the salary schedule developed by the legislative evaluation and accountability program committee only if the course content:

(a) Is consistent with a school-based plan for mastery of student learning goals as referenced in RCW 28A.655.110, the annual school performance report, for the school in which the individual is assigned;

(b) Pertains to the individual's current assignment or expected assignment for the subsequent school year;

(c) Is necessary to obtain an endorsement as prescribed by the Washington professional educator standards board;

(d) Is specifically required to obtain advanced levels of certification;

(e) Is included in a college or university degree program that pertains to the individual's current assignment, or potential future assignment, as a certified instructional staff; or

(f) Addresses research-based assessment and instructional strategies for students with dyslexia, dysgraphia, and language disabilities when addressing learning goal one under RCW 28A.150.210, as applicable and appropriate for individual certificated instructional staff.

(2) For the purpose of this section, "credits" mean college quarter hour credits and equivalent credits for approved in-service, approved continuing education, or approved internship hours computed in accordance with RCW 28A.415.020.

(3) The superintendent of public instruction shall adopt rules and standards consistent with the limits established by this section for certificated instructional staff.

(4) For the 2011-12 and 2012-13 school years, application of credits or credit equivalents earned under this section after October 1, 2010, to the salary schedule developed by the legislative evaluation and accountability program

committee is subject to any conditions or limitations contained in the omnibus operating appropriations act.

NEW SECTION. Sec. 7. This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and takes effect July 1, 2011.

Passed by the House May 9, 2011.

Passed by the Senate May 24, 2011.

Approved by the Governor June 7, 2011.

Filed in Office of Secretary of State June 8, 2011.

CHAPTER 19

[Second Engrossed Substitute House Bill 1224]

BUSINESS AND OCCUPATION TAX—MENTAL HEALTH SERVICES

AN ACT Relating to a business and occupation tax deduction for amounts received with respect to mental health services; amending RCW 82.04.4297 and 82.04.431; adding a new section to chapter 82.04 RCW; creating a new section; and providing an expiration date.

Be it enacted by the Legislature of the State of Washington:

NEW SECTION. Sec. 1. A new section is added to chapter 82.04 RCW to read as follows:

(1) A health or social welfare organization may deduct from the measure of tax amounts received as compensation for providing mental health services under a government-funded program.

(2) A regional support network may deduct from the measure of tax amounts received from the state of Washington for distribution to a health or social welfare organization that is eligible to deduct the distribution under subsection (1) of this section.

(3) A person claiming a deduction under this section must file a complete annual report with the department under RCW 82.32.534.

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

(a) "Health or social welfare organization" has the meaning provided in RCW 82.04.431.

(b) "Mental health services" and "regional support network" have the meanings provided in RCW 71.24.025.

(5) This section expires August 1, 2016.

Sec. 2. RCW 82.04.4297 and 2002 c 314 s 3 are each amended to read as follows:

In computing tax there may be deducted from the measure of tax amounts received from the United States or any instrumentality thereof or from the state of Washington or any municipal corporation or political subdivision thereof as compensation for, or to support, health or social welfare services rendered by a health or social welfare organization, as defined in RCW 82.04.431, or by a municipal corporation or political subdivision, except deductions are not allowed under this section for amounts that are received under an employee benefit plan.

Sec. 3. RCW 82.04.431 and 2008 c 137 s 1 are each amended to read as follows:

(1) (~~For the purposes of RCW 82.04.4297, 82.04.4311, 82.08.02915, 82.12.02915, and 82.08.997,~~) The term "health or social welfare organization" means an organization, including any community action council, which renders health or social welfare services as defined in subsection (2) of this section, which is a domestic or foreign not-for-profit corporation under chapter 24.03 RCW and which is managed by a governing board of not less than eight individuals none of whom is a paid employee of the organization or which is a corporation sole under chapter 24.12 RCW. Health or social welfare organization does not include a corporation providing professional services as authorized in chapter 18.100 RCW. In addition a corporation in order to be exempt under RCW 82.04.4297 (~~shall~~) must satisfy the following conditions:

(a) No part of its income may be paid directly or indirectly to its members, stockholders, officers, directors, or trustees except in the form of services rendered by the corporation in accordance with its purposes and bylaws;

(b) Salary or compensation paid to its officers and executives must be only for actual services rendered, and at levels comparable to the salary or compensation of like positions within the public service of the state;

(c) Assets of the corporation must be irrevocably dedicated to the activities for which the exemption is granted and, on the liquidation, dissolution, or abandonment by the corporation, may not inure directly or indirectly to the benefit of any member or individual except a nonprofit organization, association, or corporation which also would be entitled to the exemption;

(d) The corporation must be duly licensed or certified where licensing or certification is required by law or regulation;

(e) The amounts received qualifying for exemption must be used for the activities for which the exemption is granted;

(f) Services must be available regardless of race, color, national origin, or ancestry; and

(g) The director of revenue (~~shall~~) must have access to its books in order to determine whether the corporation is exempt from taxes within the intent of RCW 82.04.4297 and this section.

(2) The term "health or social welfare services" includes and is limited to:

(a) Mental health, drug, or alcoholism counseling or treatment;

(b) Family counseling;

(c) Health care services;

(d) Therapeutic, diagnostic, rehabilitative, or restorative services for the care of the sick, aged, or physically, developmentally, or emotionally-disabled individuals;

(e) Activities which are for the purpose of preventing or ameliorating juvenile delinquency or child abuse, including recreational activities for those purposes;

(f) Care of orphans or foster children;

(g) Day care of children;

(h) Employment development, training, and placement;

(i) Legal services to the indigent;

(j) Weatherization assistance or minor home repair for low-income homeowners or renters;

(k) Assistance to low-income homeowners and renters to offset the cost of home heating energy, through direct benefits to eligible households or to fuel vendors on behalf of eligible households;

(l) Community services to low-income individuals, families, and groups, which are designed to have a measurable and potentially major impact on causes of poverty in communities of the state; and

(m) Temporary medical housing, as defined in RCW 82.08.997, if the housing is provided only:

(i) While the patient is receiving medical treatment at a hospital required to be licensed under RCW 70.41.090 or at an outpatient clinic associated with such hospital, including any period of recuperation or observation immediately following such medical treatment; and

(ii) By a person that does not furnish lodging or related services to the general public.

NEW SECTION. Sec. 4. This act applies to amounts received by a taxpayer on or after August 1, 2011.

Passed by the House May 21, 2011.

Passed by the Senate May 20, 2011.

Approved by the Governor June 7, 2011.

Filed in Office of Secretary of State June 8, 2011.

CHAPTER 20

[Engrossed Substitute House Bill 1346]

TAX LAWS—DEPARTMENT OF REVENUE

AN ACT Relating to making changes to laws administered by the department of revenue that do not create any new or broaden any existing tax preference as defined in RCW 43.136.021 or increase any person's tax burden; amending RCW 82.04.220, 82.12.040, and 43.06.400; and repealing RCW 82.16.140 and 82.32.570.

Be it enacted by the Legislature of the State of Washington:

PART I

TECHNICAL CORRECTIONS AND CLARIFICATION

Sec. 101. RCW 82.04.220 and 2010 1st sp.s. c 23 s 102 are each amended to read as follows:

(1) There is levied and collected from every person that has a substantial nexus with this state a tax for the act or privilege of engaging in business activities. The tax is measured by the application of rates against value of products, gross proceeds of sales, or gross income of the business, as the case may be.

(2) A person who has a substantial nexus with this state in any tax year under the provisions of RCW 82.04.067 will be deemed to have a substantial nexus with this state for the following tax year.

NEW SECTION. Sec. 102. The following acts or parts of acts are each repealed:

(1) RCW 82.16.140 (Renewable energy system cost recovery—Report to legislature) and 2010 c 202 s 4 & 2005 c 300 s 5; and

(2) RCW 82.32.570 (Smelter tax incentives—Goals—Annual report) and 2010 1st sp.s. c 2 s 6, 2006 c 182 s 6, & 2004 c 24 s 14.

Sec. 103. RCW 82.12.040 and 2010 c 106 s 221 are each amended to read as follows:

(1) Every person who maintains in this state a place of business or a stock of goods, or engages in business activities within this state, shall obtain from the department a certificate of registration, and shall, at the time of making sales of tangible personal property, digital goods, digital codes, digital automated services, extended warranties, or sales of any service defined as a retail sale in RCW 82.04.050 (2) (a) or (g), (3)(a), or (6)(b), or making transfers of either possession or title, or both, of tangible personal property for use in this state, collect from the purchasers or transferees the tax imposed under this chapter. The tax to be collected under this section must be in an amount equal to the purchase price multiplied by the rate in effect for the retail sales tax under RCW 82.08.020. For the purposes of this chapter, the phrase "maintains in this state a place of business" shall include the solicitation of sales and/or taking of orders by sales agents or traveling representatives. For the purposes of this chapter, "engages in business activity within this state" includes every activity which is sufficient under the Constitution of the United States for this state to require collection of tax under this chapter. The department must in rules specify activities which constitute engaging in business activity within this state, and must keep the rules current with future court interpretations of the Constitution of the United States.

(2) Every person who engages in this state in the business of acting as an independent selling agent for persons who do not hold a valid certificate of registration, and who receives compensation by reason of sales of tangible personal property, digital goods, digital codes, digital automated services, extended warranties, or sales of any service defined as a retail sale in RCW 82.04.050 (2) (a) or (g), (3)(a), or (6)(b), of his or her principals for use in this state, must, at the time such sales are made, collect from the purchasers the tax imposed on the purchase price under this chapter, and for that purpose is deemed a retailer as defined in this chapter.

(3) The tax required to be collected by this chapter is deemed to be held in trust by the retailer until paid to the department, and any retailer who appropriates or converts the tax collected to the retailer's own use or to any use other than the payment of the tax provided herein to the extent that the money required to be collected is not available for payment on the due date as prescribed is guilty of a misdemeanor. In case any seller fails to collect the tax herein imposed or having collected the tax, fails to pay the same to the department in the manner prescribed, whether such failure is the result of the seller's own acts or the result of acts or conditions beyond the seller's control, the seller is nevertheless personally liable to the state for the amount of such tax, unless the seller has taken from the buyer a copy of a direct pay permit issued under RCW 82.32.087.

(4) Any retailer who refunds, remits, or rebates to a purchaser, or transferee, either directly or indirectly, and by whatever means, all or any part of the tax levied by this chapter is guilty of a misdemeanor.

(5) Notwithstanding subsections (1) through (4) of this section, any person making sales is not obligated to collect the tax imposed by this chapter if:

(a) The person's activities in this state, whether conducted directly or through another person, are limited to:

- (i) The storage, dissemination, or display of advertising;
- (ii) The taking of orders; or
- (iii) The processing of payments; and

(b) The activities are conducted electronically via a web site on a server or other computer equipment located in Washington that is not owned or operated by the person making sales into this state nor owned or operated by an affiliated person. "Affiliated persons" has the same meaning as provided in RCW 82.04.424.

(6) Subsection (5) of this section expires when: (a) The United States congress grants individual states the authority to impose sales and use tax collection duties on remote sellers; or (b) it is determined by a court of competent jurisdiction, in a judgment not subject to review, that a state can impose sales and use tax collection duties on remote sellers.

(7) Notwithstanding subsections (1) through (4) of this section, any person making sales is not obligated to collect the tax imposed by this chapter if the person would have been obligated to collect retail sales tax on the sale absent a specific exemption provided in chapter 82.08 RCW, and there is no corresponding use tax exemption in this chapter. Nothing in this subsection (7) may be construed as relieving purchasers from liability for reporting and remitting the tax due under this chapter directly to the department.

(8) Notwithstanding subsections (1) through (4) of this section, any person making sales is not obligated to collect the tax imposed by this chapter if the state is prohibited under the Constitution or laws of the United States from requiring the person to collect the tax imposed by this chapter.

PART II TEMPORARILY NARROWING THE SCOPE OF THE EXEMPTION STUDY

Sec. 201. RCW 43.06.400 and 1999 c 372 s 5 are each amended to read as follows:

(1) Beginning in January 1984, and in January of every fourth year thereafter, the department of revenue (~~shall~~) must submit to the legislature prior to the regular session a listing of the amount of reduction for the current and next biennium in the revenues of the state or the revenues of local government collected by the state as a result of tax exemptions. The listing (~~shall~~) must include an estimate of the revenue lost from the tax exemption, the purpose of the tax exemption, the persons, organizations, or parts of the population which benefit from the tax exemption, and whether or not the tax exemption conflicts with another state program. The listing (~~shall~~) must include but not be limited to the following revenue sources:

- ~~((1))~~ (a) Real and personal property tax exemptions under Title 84 RCW;
- ~~((2))~~ (b) Business and occupation tax exemptions, deductions, and credits under chapter 82.04 RCW;
- ~~((3))~~ (c) Retail sales and use tax exemptions under chapters 82.08, 82.12, and 82.14 RCW;

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~~((4))~~ (d) Public utility tax exemptions and deductions under chapter 82.16 RCW;

~~((5))~~ (e) Food fish and shellfish tax exemptions under chapter 82.27 RCW;

~~((6))~~ (f) Leasehold excise tax exemptions under chapter 82.29A RCW;

~~((7))~~ (g) Motor vehicle and special fuel tax exemptions and refunds under chapters 82.36 and 82.38 RCW;

~~((8))~~ (h) Aircraft fuel tax exemptions under chapter 82.42 RCW;

~~((9))~~ (i) Motor vehicle excise tax exclusions under chapter 82.44 RCW; and

~~((10))~~ (j) Insurance premiums tax exemptions under chapter 48.14 RCW.

(2) The department of revenue (~~shall~~) must prepare the listing required by this section with the assistance of any other agencies or departments as may be required.

(3) The department of revenue (~~shall~~) must present the listing to the ways and means committees of each house in public hearings.

(4) Beginning in January 1984, and every four years thereafter the governor is requested to review the report from the department of revenue and may submit recommendations to the legislature with respect to the repeal or modification of any tax exemption. The ways and means committees of each house and the appropriate standing committee of each house (~~shall~~) must hold public hearings and take appropriate action on the recommendations submitted by the governor.

(5) As used in this section, "tax exemption" means an exemption, exclusion, or deduction from the base of a tax; a credit against a tax; a deferral of a tax; or a preferential tax rate.

(6) For purposes of the listing due in January 2012, the department of revenue does not have to prepare or update the listing with respect to any tax exemption that would not be likely to increase state revenue if the exemption was repealed or otherwise eliminated.

Passed by the House May 22, 2011.

Passed by the Senate May 25, 2011.

Approved by the Governor June 7, 2011.

Filed in Office of Secretary of State June 8, 2011.

CHAPTER 21

[Engrossed Second Substitute House Bill 1371]

BOARDS AND COMMISSIONS—ELIMINATION, TRANSFER, AND OTHER CHANGES

AN ACT Relating to boards and commissions; amending RCW 72.23.025, 74.39A.095, 74.39A.220, 74.39A.240, 74.39A.250, 74.39A.260, 43.105.340, 67.16.012, 77.12.670, 77.12.690, 77.08.045, 77.12.850, 18.106.110, 49.04.010, 36.93.051, 15.92.090, 43.160.030, 70.94.537, 38.52.040, 70.168.020, 67.17.050, 41.60.015, 43.20A.685, 79A.30.030, 28A.300.136, 43.34.080, 72.09.070, 72.09.090, 72.09.100, 72.09.015, 72.62.020, 72.09.080, 43.31.425, 43.31.422, 18.280.040, 18.140.230, 18.44.221, 18.44.251, 18.44.195, 18.44.510, 18.44.500, 16.57.015, 16.57.353, 43.03.220, 43.03.230, 43.03.240, 43.03.250, 43.03.265, 43.03.050, and 43.03.060; reenacting and amending RCW 74.39A.270, 41.56.030, 18.44.011, and 28A.290.010; adding a new section to chapter 28A.300 RCW; adding a new section to chapter 39.29 RCW; adding a new section to chapter 43.03 RCW; decodifying RCW 74.39A.290; repealing RCW 79A.25.220, 70.127.041, 74.39A.230, 74.39A.280, 77.12.680, 28B.10.922, and 77.12.856; providing an effective date; and declaring an emergency.

Be it enacted by the Legislature of the State of Washington:

PART I - AGENCY SPECIFIC PROVISIONS

Eastern State Hospital Board and Western State Hospital Board

Sec. 1. RCW 72.23.025 and 2006 c 333 s 204 are each amended to read as follows:

(1) It is the intent of the legislature to improve the quality of service at state hospitals, eliminate overcrowding, and more specifically define the role of the state hospitals. The legislature intends that eastern and western state hospitals shall become clinical centers for handling the most complicated long-term care needs of patients with a primary diagnosis of mental disorder. To this end, the legislature intends that funds appropriated for mental health programs, including funds for regional support networks and the state hospitals be used for persons with primary diagnosis of mental disorder. The legislature finds that establishment of ~~((the eastern state hospital board, the western state hospital board, and))~~ institutes for the study and treatment of mental disorders at both eastern state hospital and western state hospital will be instrumental in implementing the legislative intent.

~~(2)((a) The eastern state hospital board and the western state hospital board are each established. Members of the boards shall be appointed by the governor with the consent of the senate. Each board shall include:~~

~~(i) The director of the institute for the study and treatment of mental disorders established at the hospital;~~

~~(ii) One family member of a current or recent hospital resident;~~

~~(iii) One consumer of services;~~

~~(iv) One community mental health service provider;~~

~~(v) Two citizens with no financial or professional interest in mental health services;~~

~~(vi) One representative of the regional support network in which the hospital is located;~~

~~(vii) One representative from the staff who is a physician;~~

~~(viii) One representative from the nursing staff;~~

~~(ix) One representative from the other professional staff;~~

~~(x) One representative from the nonprofessional staff; and~~

~~(xi) One representative of a minority community.~~

~~(b) At least one representative listed in (a)(viii), (ix), or (x) of this subsection shall be a union member.~~

~~(c) Members shall serve four-year terms. Members of the board shall be reimbursed for travel expenses as provided in RCW 43.03.050 and 43.03.060 and shall receive compensation as provided in RCW 43.03.240.~~

~~(3) The boards established under this section shall:~~

~~(a) Monitor the operation and activities of the hospital;~~

~~(b) Review and advise on the hospital budget;~~

~~(c) Make recommendations to the governor and the legislature for improving the quality of service provided by the hospital;~~

~~(d) Monitor and review the activities of the hospital in implementing the intent of the legislature set forth in this section; and~~

~~(e) Consult with the secretary regarding persons the secretary may select as the superintendent of the hospital whenever a vacancy occurs.~~

(4)) (a) There is established at eastern state hospital and western state hospital, institutes for the study and treatment of mental disorders. The institutes shall be operated by joint operating agreements between state colleges and universities and the department of social and health services. The institutes are intended to conduct training, research, and clinical program development activities that will directly benefit ~~((mentally ill))~~ persons with mental illness who are receiving treatment in Washington state by performing the following activities:

(i) Promote recruitment and retention of highly qualified professionals at the state hospitals and community mental health programs;

(ii) Improve clinical care by exploring new, innovative, and scientifically based treatment models for persons presenting particularly difficult and complicated clinical syndromes;

(iii) Provide expanded training opportunities for existing staff at the state hospitals and community mental health programs;

(iv) Promote bilateral understanding of treatment orientation, possibilities, and challenges between state hospital professionals and community mental health professionals.

(b) To accomplish these purposes the institutes may, within funds appropriated for this purpose:

(i) Enter joint operating agreements with state universities or other institutions of higher education to accomplish the placement and training of students and faculty in psychiatry, psychology, social work, occupational therapy, nursing, and other relevant professions at the state hospitals and community mental health programs;

(ii) Design and implement clinical research projects to improve the quality and effectiveness of state hospital services and operations;

(iii) Enter into agreements with community mental health service providers to accomplish the exchange of professional staff between the state hospitals and community mental health service providers;

(iv) Establish a student loan forgiveness and conditional scholarship program to retain qualified professionals at the state hospitals and community mental health providers when the secretary has determined a shortage of such professionals exists.

(c) Notwithstanding any other provisions of law to the contrary, the institutes may enter into agreements with the department or the state hospitals which may involve changes in staffing necessary to implement improved patient care programs contemplated by this section.

(d) The institutes are authorized to seek and accept public or private gifts, grants, contracts, or donations to accomplish their purposes under this section.

Firearms Range Advisory Committee

NEW SECTION. **Sec. 2.** RCW 79A.25.220 (Firearms range advisory committee) and 2007 c 241 s 55, 1993 sp.s. c 2 s 71, & 1990 c 195 s 3 are each repealed.

Home Care Quality Authority

NEW SECTION. **Sec. 3.** The following acts or parts of acts are each repealed:

- (1) RCW 70.127.041 (Home care quality authority not subject to regulation) and 2002 c 3 s 13;
- (2) RCW 74.39A.230 (Authority created) and 2002 c 3 s 2; and
- (3) RCW 74.39A.280 (Powers) and 2002 c 3 s 7.

NEW SECTION. **Sec. 4.** RCW 74.39A.290 is decodified.

Sec. 5. RCW 74.39A.095 and 2009 c 580 s 8 are each amended to read as follows:

(1) In carrying out case management responsibilities established under RCW 74.39A.090 for consumers who are receiving services under the medicaid personal care, community options programs entry system or chore services program through an individual provider, each area agency on aging shall provide oversight of the care being provided to consumers receiving services under this section to the extent of available funding. Case management responsibilities incorporate this oversight, and include, but are not limited to:

(a) Verification that any individual provider (~~(who has not been referred to a consumer by the authority)~~) has met any training requirements established by the department;

(b) Verification of a sample of worker time sheets;

(c) Monitoring the consumer's plan of care to verify that it adequately meets the needs of the consumer, through activities such as home visits, telephone contacts, and responses to information received by the area agency on aging indicating that a consumer may be experiencing problems relating to his or her home care;

(d) Reassessing and reauthorizing services;

(e) Monitoring of individual provider performance(~~(-If, in the course of its case management activities, the area agency on aging identifies concerns regarding the care being provided by an individual provider who was referred by the authority, the area agency on aging must notify the authority regarding its concerns)~~); and

(f) Conducting criminal background checks or verifying that criminal background checks have been conducted for any individual provider (~~(who has not been referred to a consumer by the authority)~~). Individual providers who are hired after January 1, 2012, are subject to background checks under RCW 74.39A.055.

(2) The area agency on aging case manager shall work with each consumer to develop a plan of care under this section that identifies and ensures coordination of health and long-term care services that meet the consumer's needs. In developing the plan, they shall utilize, and modify as needed, any comprehensive community service plan developed by the department as provided in RCW 74.39A.040. The plan of care shall include, at a minimum:

(a) The name and telephone number of the consumer's area agency on aging case manager, and a statement as to how the case manager can be contacted about any concerns related to the consumer's well-being or the adequacy of care provided;

(b) The name and telephone numbers of the consumer's primary health care provider, and other health or long-term care providers with whom the consumer has frequent contacts;

(c) A clear description of the roles and responsibilities of the area agency on aging case manager and the consumer receiving services under this section;

(d) The duties and tasks to be performed by the area agency on aging case manager and the consumer receiving services under this section;

(e) The type of in-home services authorized, and the number of hours of services to be provided;

(f) The terms of compensation of the individual provider;

(g) A statement by the individual provider that he or she has the ability and willingness to carry out his or her responsibilities relative to the plan of care; and

(h)(i) Except as provided in (h)(ii) of this subsection, a clear statement indicating that a consumer receiving services under this section has the right to waive any of the case management services offered by the area agency on aging under this section, and a clear indication of whether the consumer has, in fact, waived any of these services.

(ii) The consumer's right to waive case management services does not include the right to waive reassessment or reauthorization of services, or verification that services are being provided in accordance with the plan of care.

(3) Each area agency on aging shall retain a record of each waiver of services included in a plan of care under this section.

(4) Each consumer has the right to direct and participate in the development of their plan of care to the maximum practicable extent of their abilities and desires, and to be provided with the time and support necessary to facilitate that participation.

(5) A copy of the plan of care must be distributed to the consumer's primary care provider, individual provider, and other relevant providers with whom the consumer has frequent contact, as authorized by the consumer.

(6) The consumer's plan of care shall be an attachment to the contract between the department, or their designee, and the individual provider.

(7) If the department or area agency on aging case manager finds that an individual provider's inadequate performance or inability to deliver quality care is jeopardizing the health, safety, or well-being of a consumer receiving service under this section, the department or the area agency on aging may take action to terminate the contract between the department and the individual provider. If the department or the area agency on aging has a reasonable, good faith belief that the health, safety, or well-being of a consumer is in imminent jeopardy, the department or area agency on aging may summarily suspend the contract pending a fair hearing. The consumer may request a fair hearing to contest the planned action of the case manager, as provided in chapter 34.05 RCW. ~~((When the department or area agency on aging terminates or summarily suspends a contract under this subsection, it must provide oral and written notice of the action taken to the authority.))~~ The department may by rule adopt guidelines for implementing this subsection.

(8) The department or area agency on aging may reject a request by a consumer receiving services under this section to have a family member or other person serve as his or her individual provider if the case manager has a reasonable, good faith belief that the family member or other person will be

unable to appropriately meet the care needs of the consumer. The consumer may request a fair hearing to contest the decision of the case manager, as provided in chapter 34.05 RCW. The department may by rule adopt guidelines for implementing this subsection.

Sec. 6. RCW 74.39A.220 and 2002 c 3 s 1 are each amended to read as follows:

The people of the state of Washington find as follows:

(1) Thousands of Washington seniors and persons with disabilities live independently in their own homes, which they prefer and is less costly than institutional care such as nursing homes.

(2) Many Washington seniors and persons with disabilities currently receive long-term in-home care services from individual providers hired directly by them under the medicaid personal care, community options programs entry system, or chore services program.

(3) Quality long-term in-home care services allow Washington seniors, persons with disabilities, and their families the choice of allowing seniors and persons with disabilities to remain in their homes, rather than forcing them into institutional care such as nursing homes. Long-term in-home care services are also less costly, saving Washington taxpayers significant amounts through lower reimbursement rates.

~~((4) The quality of long term in home care services in Washington would benefit from improved regulation, higher standards, better accountability, and improved access to such services. The quality of long term in home care services would further be improved by a well trained, stable individual provider workforce earning reasonable wages and benefits.~~

~~(5) Washington seniors and persons with disabilities would benefit from the establishment of an authority that has the power and duty to regulate and improve the quality of long term in home care services.~~

~~(6) The authority should ensure that the quality of long term in home care services provided by individual providers is improved through better regulation, higher standards, increased accountability, and the enhanced ability to obtain services. The authority should also encourage stability in the individual provider workforce through collective bargaining and by providing training opportunities.))~~

Sec. 7. RCW 74.39A.240 and 2002 c 3 s 3 are each amended to read as follows:

The definitions in this section apply throughout RCW 74.39A.030 and 74.39A.095 and 74.39A.220 through 74.39A.300, and 41.56.026(~~, 70.127.041, and 74.09.740~~) unless the context clearly requires otherwise.

~~(1) ("Authority" means the home care quality authority.~~

~~(2) "Board" means the board created under RCW 74.39A.230.~~

~~(3)) "Consumer" means a person to whom an individual provider provides any such services.~~

~~((4)) (2) "Department" means the department of social and health services.~~

~~(3) "Individual provider" means a person, including a personal aide, who has contracted with the department to provide personal care or respite care services to functionally disabled persons under the medicaid personal care, community options program entry system, chore services program, or respite~~

care program, or to provide respite care or residential services and support to persons with developmental disabilities under chapter 71A.12 RCW, or to provide respite care as defined in RCW 74.13.270.

Sec. 8. RCW 74.39A.250 and 2002 c 3 s 4 are each amended to read as follows:

(1) ~~((The authority must carry out the following duties:~~

~~(a) Establish qualifications and reasonable standards for accountability for and investigate the background of individual providers and prospective individual providers, except in cases where, after the department has sought approval of any appropriate amendments or waivers under RCW 74.09.740, federal law or regulation requires that such qualifications and standards for accountability be established by another entity in order to preserve eligibility for federal funding. Qualifications established must include compliance with the minimum requirements for training and satisfactory criminal background checks as provided in RCW 74.39A.050 and confirmation that the individual provider or prospective individual provider is not currently listed on any long-term care abuse and neglect registry used by the department at the time of the investigation;~~

~~(b) Undertake recruiting activities to identify and recruit individual providers and prospective individual providers;~~

~~(c) Provide training opportunities, either directly or through contract, for individual providers, prospective individual providers, consumers, and prospective consumers;~~

~~(d)) The department shall provide assistance to consumers and prospective consumers in finding individual providers and prospective individual providers through the establishment of a referral registry of individual providers and prospective individual providers. Before placing an individual provider or prospective individual provider on the referral registry, the ~~((authority))~~ department shall determine that:~~

~~((i)) (a) The individual provider or prospective individual provider has met the minimum requirements for training set forth in RCW 74.39A.050;~~

~~((ii)) (b) The individual provider or prospective individual provider has satisfactorily undergone a criminal background check conducted within the prior twelve months; and~~

~~((iii)) (c) The individual provider or prospective individual provider is not listed on any long-term care abuse and neglect registry used by the department(~~(;~~~~

~~(e) Remove).~~

~~(2) The department shall remove from the referral registry any individual provider or prospective individual provider ~~((the authority determines))~~ that does not ~~((to))~~ meet the qualifications set forth in ~~((d) of this))~~ subsection (1) of this section or to have committed misfeasance or malfeasance in the performance of his or her duties as an individual provider. The individual provider or prospective individual provider, or the consumer to which the individual provider is providing services, may request a fair hearing to contest the removal from the referral registry, as provided in chapter 34.05 RCW(~~(;~~~~

~~(f)) (3) The department shall provide routine, emergency, and respite referrals of individual providers and prospective individual providers to consumers and prospective consumers who are authorized to receive long-term in-home care services through an individual provider(~~(;~~~~

~~(g))~~.

(4) The department shall give preference in the recruiting, training, referral, and employment of individual providers and prospective individual providers to recipients of public assistance or other low-income persons who would qualify for public assistance in the absence of such employment~~((; and~~

~~(h) Cooperate with the department, area agencies on aging, and other federal, state, and local agencies to provide the services described and set forth in this section. If, in the course of carrying out its duties, the authority identifies concerns regarding the services being provided by an individual provider, the authority must notify the relevant area agency or department case manager regarding such concerns.~~

~~(2) In determining how best to carry out its duties, the authority must identify existing individual provider recruitment, training, and referral resources made available to consumers by other state and local public, private, and nonprofit agencies. The authority may coordinate with the agencies to provide a local presence for the authority and to provide consumers greater access to individual provider recruitment, training, and referral resources in a cost-effective manner. Using requests for proposals or similar processes, the authority may contract with the agencies to provide recruitment, training, and referral services if the authority determines the agencies can provide the services according to reasonable standards of performance determined by the authority. The authority must provide an opportunity for consumer participation in the determination of the standards).~~

Sec. 9. RCW 74.39A.260 and 2009 c 580 s 9 are each amended to read as follows:

The department must perform criminal background checks for individual providers and prospective individual providers ~~((and ensure that the authority has ready access to any long-term care abuse and neglect registry used by the department))~~. Individual providers who are hired after January 1, 2012, are subject to background checks under RCW 74.39A.055.

Sec. 10. RCW 74.39A.270 and 2007 c 361 s 7 and 2007 c 278 s 3 are each reenacted and amended to read as follows:

(1) Solely for the purposes of collective bargaining and as expressly limited under subsections (2) and (3) of this section, the governor is the public employer, as defined in chapter 41.56 RCW, of individual providers, who, solely for the purposes of collective bargaining, are public employees as defined in chapter 41.56 RCW. To accommodate the role of the state as payor for the community-based services provided under this chapter and to ensure coordination with state employee collective bargaining under chapter 41.80 RCW and the coordination necessary to implement RCW 74.39A.300, the public employer shall be represented for bargaining purposes by the governor or the governor's designee appointed under chapter 41.80 RCW. The governor or governor's designee shall periodically consult with the authority during the collective bargaining process to allow the authority to communicate issues relating to the long-term in-home care services received by consumers. ~~((The governor or the governor's designee shall consult the authority on all issues for which the exclusive bargaining representative requests to engage in collective bargaining under subsections (6) and (7) of this section.))~~ The ~~((authority))~~ department shall ~~((work with))~~ solicit

input from the developmental disabilities council, the governor's committee on disability issues and employment, the state council on aging, and other consumer advocacy organizations to obtain informed input from consumers on their interests, including impacts on consumer choice, for all issues proposed for collective bargaining under subsections (5) and (6) (~~and (7)~~) of this section.

(2) Chapter 41.56 RCW governs the collective bargaining relationship between the governor and individual providers, except as otherwise expressly provided in this chapter and except as follows:

(a) The only unit appropriate for the purpose of collective bargaining under RCW 41.56.060 is a statewide unit of all individual providers;

(b) The showing of interest required to request an election under RCW 41.56.060 is ten percent of the unit, and any intervener seeking to appear on the ballot must make the same showing of interest;

(c) The mediation and interest arbitration provisions of RCW 41.56.430 through 41.56.470 and 41.56.480 apply, except that:

(i) With respect to commencement of negotiations between the governor and the bargaining representative of individual providers, negotiations shall be commenced by May 1st of any year prior to the year in which an existing collective bargaining agreement expires; and

(ii) The decision of the arbitration panel is not binding on the legislature and, if the legislature does not approve the request for funds necessary to implement the compensation and fringe benefit provisions of the arbitrated collective bargaining agreement, is not binding on the authority or the state;

(d) Individual providers do not have the right to strike; and

(e) Individual providers who are related to, or family members of, consumers or prospective consumers are not, for that reason, exempt from this chapter or chapter 41.56 RCW.

(3) Individual providers who are public employees solely for the purposes of collective bargaining under subsection (1) of this section are not, for that reason, employees of the state, its political subdivisions, or an area agency on aging for any purpose. Chapter 41.56 RCW applies only to the governance of the collective bargaining relationship between the employer and individual providers as provided in subsections (1) and (2) of this section.

(4) Consumers and prospective consumers retain the right to select, hire, supervise the work of, and terminate any individual provider providing services to them. Consumers may elect to receive long-term in-home care services from individual providers who are not referred to them by the authority.

(5) (~~In implementing and administering this chapter, neither the authority nor any of its contractors may reduce or increase the hours of service for any consumer below or above the amount determined to be necessary under any assessment prepared by the department or an area agency on aging.~~

(6)) Except as expressly limited in this section and RCW 74.39A.300, the wages, hours, and working conditions of individual providers are determined solely through collective bargaining as provided in this chapter. No agency or department of the state may establish policies or rules governing the wages or hours of individual providers. However, this subsection does not modify:

(a) The department's authority to establish a plan of care for each consumer or its core responsibility to manage long-term in-home care services under this chapter, including determination of the level of care that each consumer is

eligible to receive. However, at the request of the exclusive bargaining representative, the governor or the governor's designee appointed under chapter 41.80 RCW shall engage in collective bargaining, as defined in RCW 41.56.030(4), with the exclusive bargaining representative over how the department's core responsibility affects hours of work for individual providers. This subsection shall not be interpreted to require collective bargaining over an individual consumer's plan of care;

(b) The department's authority to terminate its contracts with individual providers who are not adequately meeting the needs of a particular consumer, or to deny a contract under RCW 74.39A.095(8);

(c) The consumer's right to assign hours to one or more individual providers selected by the consumer within the maximum hours determined by his or her plan of care;

(d) The consumer's right to select, hire, terminate, supervise the work of, and determine the conditions of employment for each individual provider providing services to the consumer under this chapter;

(e) The department's obligation to comply with the federal medicaid statute and regulations and the terms of any community-based waiver granted by the federal department of health and human services and to ensure federal financial participation in the provision of the services; and

(f) The legislature's right to make programmatic modifications to the delivery of state services under this title, including standards of eligibility of consumers and individual providers participating in the programs under this title, and the nature of services provided. The governor shall not enter into, extend, or renew any agreement under this chapter that does not expressly reserve the legislative rights described in this subsection ~~((6))~~ (5)(f).

~~((7))~~ (6) At the request of the exclusive bargaining representative, the governor or the governor's designee appointed under chapter 41.80 RCW shall engage in collective bargaining, as defined in RCW 41.56.030(4), with the exclusive bargaining representative over employer contributions to the training partnership for the costs of: (a) Meeting all training and peer mentoring required under this chapter; and (b) other training intended to promote the career development of individual providers.

~~((8(a)))~~ (7) The state, the department, ~~((the authority,))~~ the area agencies on aging, or their contractors under this chapter may not be held vicariously or jointly liable for the action or inaction of any individual provider or prospective individual provider, whether or not that individual provider or prospective individual provider was included on the ~~((authority's))~~ referral registry or referred to a consumer or prospective consumer. The existence of a collective bargaining agreement, the placement of an individual provider on the referral registry, or the development or approval of a plan of care for a consumer who chooses to use the services of an individual provider and the provision of case management services to that consumer, by the department or an area agency on aging, does not constitute a special relationship with the consumer.

~~((b) The members of the board are immune from any liability resulting from implementation of this chapter.~~

~~((9))~~ (8) Nothing in this section affects the state's responsibility with respect to unemployment insurance for individual providers. However, individual

providers are not to be considered, as a result of the state assuming this responsibility, employees of the state.

Sec. 11. RCW 41.56.030 and 2010 c 296 s 3 are each reenacted and amended to read as follows:

As used in this chapter:

(1) "Adult family home provider" means a provider as defined in RCW 70.128.010 who receives payments from the medicaid and state-funded long-term care programs.

(2) "Bargaining representative" means any lawful organization which has as one of its primary purposes the representation of employees in their employment relations with employers.

(3) "Child care subsidy" means a payment from the state through a child care subsidy program established pursuant to RCW 74.12.340 or 74.08A.340, 45 C.F.R. Sec. 98.1 through 98.17, or any successor program.

(4) "Collective bargaining" means the performance of the mutual obligations of the public employer and the exclusive bargaining representative to meet at reasonable times, to confer and negotiate in good faith, and to execute a written agreement with respect to grievance procedures and collective negotiations on personnel matters, including wages, hours and working conditions, which may be peculiar to an appropriate bargaining unit of such public employer, except that by such obligation neither party shall be compelled to agree to a proposal or be required to make a concession unless otherwise provided in this chapter.

(5) "Commission" means the public employment relations commission.

(6) "Executive director" means the executive director of the commission.

(7) "Family child care provider" means a person who: (a) Provides regularly scheduled care for a child or children in the home of the provider or in the home of the child or children for periods of less than twenty-four hours or, if necessary due to the nature of the parent's work, for periods equal to or greater than twenty-four hours; (b) receives child care subsidies; and (c) is either licensed by the state under RCW 74.15.030 or is exempt from licensing under chapter 74.15 RCW.

~~(8) ("Home care quality authority" means the authority under chapter 74.39A RCW.~~

~~(9))~~ "Individual provider" means an individual provider as defined in RCW 74.39A.240(4) who, solely for the purposes of collective bargaining, is a public employee as provided in RCW 74.39A.270.

~~((10))~~ (9) "Institution of higher education" means the University of Washington, Washington State University, Central Washington University, Eastern Washington University, Western Washington University, The Evergreen State College, and the various state community colleges.

~~((11))~~ (10)(a) "Language access provider" means any independent contractor who provides spoken language interpreter services for department of social and health services appointments or medicaid enrollee appointments, or provided these services on or after January 1, 2009, and before June 10, 2010, whether paid by a broker, language access agency, or the department.

(b) "Language access provider" does not mean an owner, manager, or employee of a broker or a language access agency.

~~((12))~~ (11) "Public employee" means any employee of a public employer except any person (a) elected by popular vote, or (b) appointed to office pursuant to statute, ordinance or resolution for a specified term of office as a member of a multimember board, commission, or committee, whether appointed by the executive head or body of the public employer, or (c) whose duties as deputy, administrative assistant or secretary necessarily imply a confidential relationship to (i) the executive head or body of the applicable bargaining unit, or (ii) any person elected by popular vote, or (iii) any person appointed to office pursuant to statute, ordinance or resolution for a specified term of office as a member of a multimember board, commission, or committee, whether appointed by the executive head or body of the public employer, or (d) who is a court commissioner or a court magistrate of superior court, district court, or a department of a district court organized under chapter 3.46 RCW, or (e) who is a personal assistant to a district court judge, superior court judge, or court commissioner. For the purpose of (e) of this subsection, no more than one assistant for each judge or commissioner may be excluded from a bargaining unit.

~~((13))~~ (12) "Public employer" means any officer, board, commission, council, or other person or body acting on behalf of any public body governed by this chapter, or any subdivision of such public body. For the purposes of this section, the public employer of district court or superior court employees for wage-related matters is the respective county legislative authority, or person or body acting on behalf of the legislative authority, and the public employer for nonwage-related matters is the judge or judge's designee of the respective district court or superior court.

~~((14))~~ (13) "Uniformed personnel" means: (a) Law enforcement officers as defined in RCW 41.26.030 employed by the governing body of any city or town with a population of two thousand five hundred or more and law enforcement officers employed by the governing body of any county with a population of ten thousand or more; (b) correctional employees who are uniformed and nonuniformed, commissioned and noncommissioned security personnel employed in a jail as defined in RCW 70.48.020(9), by a county with a population of seventy thousand or more, and who are trained for and charged with the responsibility of controlling and maintaining custody of inmates in the jail and safeguarding inmates from other inmates; (c) general authority Washington peace officers as defined in RCW 10.93.020 employed by a port district in a county with a population of one million or more; (d) security forces established under RCW 43.52.520; (e) firefighters as that term is defined in RCW 41.26.030; (f) employees of a port district in a county with a population of one million or more whose duties include crash fire rescue or other firefighting duties; (g) employees of fire departments of public employers who dispatch exclusively either fire or emergency medical services, or both; or (h) employees in the several classes of advanced life support technicians, as defined in RCW 18.71.200, who are employed by a public employer.

Sec. 12. RCW 43.105.340 and 2008 c 151 s 2 are each amended to read as follows:

(1) The department shall coordinate among state agencies to develop a consumer protection web site. The web site shall serve as a one-stop web site for

consumer information. At a minimum, the web site must provide links to information on:

(a) Insurance information provided by the office of the insurance commissioner, including information on how to file consumer complaints against insurance companies, how to look up authorized insurers, and how to learn more about health insurance benefits;

(b) Child care information provided by the department of early learning, including how to select a child care provider, how child care providers are rated, and information about product recalls;

(c) Financial information provided by the department of financial institutions, including consumer information on financial fraud, investing, credit, and enforcement actions;

(d) Health care information provided by the department of health, including health care provider listings and quality assurance information;

(e) Home care information provided by the ~~((home care quality authority))~~ department, including information to assist consumers in finding an in-home provider;

(f) Licensing information provided by the department of licensing, including information regarding business, vehicle, and professional licensing; and

(g) Other information available on existing state agency web sites that could be a helpful resource for consumers.

(2) By July 1, 2008, state agencies shall report to the department on whether they maintain resources for consumers that could be made available through the consumer protection web site.

(3) By September 1, 2008, the department shall make the consumer protection web site available to the public.

(4) After September 1, 2008, the department, in coordination with other state agencies, shall develop a plan on how to build upon the consumer protection web site to create a consumer protection portal. The plan must also include an examination of the feasibility of developing a toll-free information line to support the consumer protection portal. The plan must be submitted to the governor and the appropriate committees of the legislature by December 1, 2008.

Horse Racing Commission—Reducing Commission Members

Sec. 13. RCW 67.16.012 and 1998 c 345 s 4 are each amended to read as follows:

There is hereby created the Washington horse racing commission, to consist of ~~((five))~~ three commissioners, appointed by the governor and confirmed by the senate. The commissioners shall be citizens, residents, and qualified electors of the state of Washington, one of whom shall be a breeder of race horses and shall be of at least one year's standing. The terms of the members shall be six years. Each member shall hold office until his or her successor is appointed and qualified. Vacancies in the office of commissioner shall be filled by appointment to be made by the governor for the unexpired term. Any commissioner may be removed at any time at the pleasure of the governor. Before entering upon the duties of his or her office, each commissioner shall

enter into a surety company bond, to be approved by the governor and attorney general, payable to the state of Washington, in the penal sum of five thousand dollars, conditioned upon the faithful performance of his or her duties and the correct accounting and payment of all sums received and coming within his or her control under this chapter, and in addition thereto each commissioner shall take and subscribe to an oath of office of the same form as that prescribed by law for elective state officers.

Migratory Waterfowl Art Committee

NEW SECTION. Sec. 14. RCW 77.12.680 (Migratory waterfowl art committee—Membership—Terms—Vacancies—Chairman—Review of expenditures—Compensation) and 1987 c 506 s 54 & 1985 c 243 s 5 are each repealed.

Sec. 15. RCW 77.12.670 and 2002 c 283 s 2 are each amended to read as follows:

(1) ~~((The))~~ Beginning July 1, 2011, the department, after soliciting recommendations from the public, shall select the design for the migratory bird stamp ~~((to be produced by the department shall use the design as provided by the migratory waterfowl art committee))~~.

(2) All revenue derived from the sale of migratory bird license validations or stamps by the department to any person hunting waterfowl or to any stamp collector shall be deposited in the state wildlife ~~((fund))~~ account and shall be used only for that portion of the cost of printing and production of the stamps for migratory waterfowl hunters as determined by subsection (4) of this section, and for those migratory waterfowl projects specified by the director of the department for the acquisition and development of migratory waterfowl habitat in the state and for the enhancement, protection, and propagation of migratory waterfowl in the state. Migratory bird license validation and stamp funds may not be used on lands controlled by private hunting clubs or on private lands that charge a fee for public access. Migratory bird license validation and stamp funds may be used for migratory waterfowl projects on private land where public hunting is provided by written permission or on areas established by the department as waterfowl hunting closures.

(3) All revenue derived from the sale of the license validation and stamp by the department to persons hunting solely nonwaterfowl migratory birds shall be deposited in the state wildlife ~~((fund))~~ account and shall be used only for that portion of the cost of printing and production of the stamps for nonwaterfowl migratory bird hunters as determined by subsection (4) of this section, and for those nonwaterfowl migratory bird projects specified by the director for the acquisition and development of nonwaterfowl migratory bird habitat in the state and for the enhancement, protection, and propagation of nonwaterfowl migratory birds in the state.

(4) With regard to the revenue from license validation and stamp sales that is not the result of sales to stamp collectors, the department shall determine the proportion of migratory waterfowl hunters and solely nonwaterfowl migratory bird hunters by using the yearly migratory bird hunter harvest information program survey results or, in the event that these results are not available, other similar survey results. A two-year average of the most recent survey results

shall be used to determine the proportion of the revenue attributed to migratory waterfowl hunters and the proportion attributed to solely nonwaterfowl migratory bird hunters for each fiscal year. For fiscal year 1998-99 and for fiscal year 1999-2000, ninety-six percent of the stamp revenue shall be attributed to migratory waterfowl hunters and four percent of the stamp revenue shall be attributed to solely nonwaterfowl migratory game hunters.

(5) Acquisition shall include but not be limited to the acceptance of gifts of real estate or any interest therein or the rental, lease, or purchase of real estate or any interest therein. If the department acquires any fee interest, leasehold, or rental interest in real property under this section, it shall allow the general public reasonable access to that property and shall, if appropriate, ensure that the deed or other instrument creating the interest allows such access to the general public. If the department obtains a covenant in real property in its favor or an easement or any other interest in real property under this section, it shall exercise its best efforts to ensure that the deed or other instrument creating the interest grants to the general public in the form of a covenant running with the land reasonable access to the property. The private landowner from whom the department obtains such a covenant or easement shall retain the right of granting access to the lands by written permission, but may not charge a fee for access.

(6) The department may produce migratory bird stamps in any given year in excess of those necessary for sale in that year. The excess stamps may be sold to the ~~((migratory waterfowl art committee for sale to the))~~ public.

Sec. 16. RCW 77.12.690 and 2009 c 333 s 38 are each amended to read as follows:

~~(1) The ((migratory waterfowl art committee))~~ director is responsible for the selection of the annual migratory bird stamp design ~~((and shall provide the design to the department. If the committee does not perform this duty within the time frame necessary to achieve proper and timely distribution of the stamps to license dealers, the director shall initiate the art work selection for that year)).~~ The ~~((committee))~~ department shall create collector art prints and related artwork, utilizing the same design ~~((as provided to the department)).~~ The administration, sale, distribution, and other matters relating to the prints and sales of stamps with prints and related artwork shall be the responsibility of the ~~((migratory waterfowl art committee))~~ department.

(2) The total amount brought in from the sale of prints and related artwork shall be deposited in the state wildlife account created in RCW 77.12.170. The costs of producing and marketing of prints and related artwork ~~((, including administrative expenses mutually agreed upon by the committee and the director,))~~ shall be paid out of the total amount brought in from sales of those same items. Net funds derived from the sale of prints and related artwork shall be used by the director to contract with one or more appropriate individuals or nonprofit organizations for the development of waterfowl propagation projects within Washington which specifically provide waterfowl for the Pacific flyway. The department shall not contract with any individual or organization that obtains compensation for allowing waterfowl hunting except if the individual or organization does not permit hunting for compensation on the subject property.

~~((The migratory waterfowl art committee shall have an annual audit of its finances conducted by the state auditor and shall furnish a copy of the audit to the commission.))~~

Sec. 17. RCW 77.08.045 and 1998 c 191 s 31 are each amended to read as follows:

As used in this title or rules adopted pursuant to this title:

(1) "Migratory waterfowl" means members of the family Anatidae, including brants, ducks, geese, and swans;

(2) "Migratory bird" means migratory waterfowl and coots, snipe, doves, and band-tailed pigeon;

(3) "Migratory bird stamp" means the stamp that is required by RCW 77.32.350 to be in the possession of all persons to hunt migratory birds; and

(4) "Prints and artwork" means replicas of the original stamp design that are sold to the general public. Prints and artwork are not to be construed to be the migratory bird stamp that is required by RCW 77.32.350. Artwork may be any facsimile of the original stamp design, including color renditions, metal duplications, or any other kind of design(~~;~~ and

~~(5) "Migratory waterfowl art committee" means the committee created by RCW 77.12.680. The committee's primary function is to select the annual migratory bird stamp design).~~

Performance Agreement Committee

NEW SECTION. **Sec. 18.** RCW 28B.10.922 (Performance agreements—State committee—Development of final proposals—Implementation—Updates) and 2008 c 160 s 4 are each repealed.

Salmon Stamp Selection Committee

NEW SECTION. **Sec. 19.** RCW 77.12.856 (Salmon stamp selection committee—Creation) and 1999 c 342 s 5 are each repealed.

Sec. 20. RCW 77.12.850 and 1999 c 342 s 2 are each amended to read as follows:

The definitions in this section apply throughout RCW 77.12.850 through 77.12.860 unless the context clearly requires otherwise.

(1) "Salmon" means all species of the genus *Oncorhynchus*, except those classified as game fish in this title, and includes:

Scientific Name	Common Name
<i>Oncorhynchus tshawytscha</i>	Chinook salmon
<i>Oncorhynchus kisutch</i>	Coho salmon
<i>Oncorhynchus keta</i>	Chum salmon
<i>Oncorhynchus gorbuscha</i>	Pink salmon
<i>Oncorhynchus nerka</i>	Sockeye salmon

(2) "Department" means the department of fish and wildlife.

~~(3) ("Committee" means the salmon stamp selection committee created in RCW 77.12.856.~~

~~(4))~~ "Stamp" means the stamp created under the Washington salmon stamp program and the Washington junior salmon stamp program, created in RCW 77.12.850 through 77.12.860.

State Advisory Board of Plumbers

Sec. 21. RCW 18.106.110 and 2006 c 185 s 4 are each amended to read as follows:

(1) There is created a state advisory board of plumbers, to be composed of seven members appointed by the ~~((governor))~~ director. Two members shall be journeyman plumbers, one member shall be a specialty plumber, three members shall be persons conducting a plumbing business, at least one of which shall be primarily engaged in a specialty plumbing business, and one member from the general public who is familiar with the business and trade of plumbing.

(2) The term of one journeyman plumber expires July 1, 1995; the term of the second journeyman plumber expires July 1, 2000; the term of the specialty plumber expires July 1, 2008; the term of one person conducting a plumbing business expires July 1, 1996; the term of the second person conducting a plumbing business expires July 1, 2000; the term of the third person conducting a plumbing business expires July 1, 2007; and the term of the public member expires July 1, 1997. Thereafter, upon the expiration of said terms, the ~~((governor))~~ director shall appoint a new member to serve for a period of three years. However, to ensure that the board can continue to act, a member whose term expires shall continue to serve until his or her replacement is appointed. In the case of any vacancy on the board for any reason, the ~~((governor))~~ director shall appoint a new member to serve out the term of the person whose position has become vacant.

(3) The advisory board shall carry out all the functions and duties enumerated in this chapter, as well as generally advise the department on all matters relative to this chapter.

(4) Each member of the advisory board shall receive travel expenses in accordance with the provisions of RCW 43.03.050 and 43.03.060 as now existing or hereafter amended for each day in which such member is actually engaged in attendance upon the meetings of the advisory board.

Sec. 22. RCW 49.04.010 and 2001 c 204 s 1 are each amended to read as follows:

(1) The director of labor and industries shall appoint an apprenticeship council, composed of three representatives each from employer and employee organizations, respectively. The terms of office of the members of the apprenticeship council first appointed by the director of labor and industries shall be as follows: One representative each of employers and employees shall be appointed for one year, two years, and three years, respectively. Thereafter, each member shall be appointed for a term of three years. The ~~((governor))~~ director of labor and industries shall also appoint a public member to the apprenticeship council for a three-year term. ~~((The appointment of the public member is subject to confirmation by the senate.))~~ Each member shall hold office until a successor is appointed and has qualified and any vacancy shall be filled by appointment for the unexpired portion of the term. A designated representative from each of the following: The workforce training and education coordinating board, state board for community and technical colleges, employment security department, and United States department of labor, apprenticeship, training, employer, and labor services, shall be ex officio members of the apprenticeship council. Ex officio members shall have no vote.

Each member of the council, not otherwise compensated by public moneys, shall be reimbursed for travel expenses in accordance with RCW 43.03.050 and 43.03.060 and shall be compensated in accordance with RCW 43.03.240.

(2) The apprenticeship council is authorized to approve apprenticeship programs, and establish apprenticeship program standards as rules, including requirements for apprentice-related and supplemental instruction, coordination of instruction with job experiences, and instructor qualifications. The council shall consider recommendations from the state board for community and technical colleges on matters of apprentice-related and supplemental instruction, coordination of instruction with job experiences, and instructor qualifications. The rules for apprenticeship instructor qualifications shall either be by reference or reasonably similar to the applicable requirements established by or pursuant to chapter 28B.50 RCW. The council is further authorized to issue such rules as may be necessary to carry out the intent and purposes of this chapter, including a procedure to resolve an impasse should a tie vote of the council occur, and perform such other duties as are hereinafter imposed.

(3) Not less than once a year the apprenticeship council shall make a report to the director of labor and industries of its activities and findings which shall be available to the public.

Boundary Review Board

Sec. 23. RCW 36.93.051 and 1991 c 363 s 93 are each amended to read as follows:

The boundary review board in each county with a population of one million or more shall consist of eleven members chosen as follows:

(1) ~~((Three persons shall be appointed by the governor;~~

~~(2) Three))~~ Four persons shall be appointed by the county appointing authority;

~~((3) Three))~~ (2) Four persons shall be appointed by the mayors of the cities and towns located within the county; and

~~((4) Two))~~ (3) Three persons shall be appointed by the board from nominees of special districts in the county.

The governor shall designate one initial appointee to serve a term of two years, and two initial appointees to serve terms of four years, if the appointments are made in an odd-numbered year, or one initial appointee to serve a term of one year, and two initial appointees to serve terms of three years, if the appointments are made in an even-numbered year, with the length of the term being calculated from the first day of February in the year the appointment was made.

The county appointing authority shall designate one of its initial appointees to serve a term of two years, and two of its initial appointees to serve terms of four years, if the appointments are made in an odd-numbered year, or one of its initial appointees to serve a term of one year, and two of its initial appointees to serve terms of three years, if the appointments are made in an even-numbered year, with the length of the term being calculated from the first day of February in the year the appointment was made.

The mayors making the initial city and town appointments shall designate two of their initial appointees to serve terms of two years, and one of their initial appointees to serve a term of four years, if the appointments are made in an odd-

numbered year, or two of their initial appointees to serve terms of one year, and one of their initial appointees to serve a term of three years, if the appointments are made in an even-numbered year, with the length of the term being calculated from the first day of February in the year the appointment was made.

The board shall make two initial appointments from the nominees of special districts, with one appointee serving a term of four years and one initial appointee serving a term of two years, if the appointments are made in an odd-numbered year, or one initial appointee serving a term of three years and one initial appointee serving a term of one year if the appointments are made in an even-numbered year, with the length of the term being calculated from the first day of March in the year in which the appointment is made.

After the initial appointments, all appointees shall serve four-year terms.

No appointee may be an official or employee of the county or a governmental unit in the county, or a consultant or advisor on a contractual or regular retained basis of the county, any governmental unit in the county, or any agency or association thereof.

Commission on Pesticide Registration

Sec. 24. RCW 15.92.090 and 1999 c 247 s 1 are each amended to read as follows:

(1) A commission on pesticide registration is established. The commission shall be composed of twelve voting members appointed by the ~~((governor))~~ director as follows:

(a) Eight members from the following segments of the state's agricultural industry as nominated by a statewide private agricultural association or agricultural commodity commission formed under Title 15 RCW: (i) The tree fruit industry; (ii) hop growers; (iii) potato growers; (iv) wheat growers; (v) vegetable and seed growers; (vi) berry growers; (vii) wine grape growers; and (viii) the nursery and landscape industry. Although members are appointed from various segments of the agriculture industry, they are appointed to represent and advance the interests of the industry as a whole.

(b) One member from each of the following: (i) Forest protection industry; (ii) food processors; (iii) agricultural chemical industry; and (iv) professional pesticide applicators. One member shall be appointed for each such segment of the industry and shall be nominated by a statewide, private association of that segment of the industry. The representative of the agricultural chemical industry shall be involved in the manufacture of agricultural crop protection products.

The following shall be ex officio, nonvoting members of the commission: The coordinator of the interregional project number four at Washington State University; the director of the department of ecology or the director's designee; the director of the department of agriculture or the director's designee; the director of the department of labor and industries or the director's designee; and the secretary of the department of health or the secretary's designee.

(2) Each voting member of the commission shall serve a term of three years. ~~((However, the first appointments in the first year shall be made by the governor for one, two, and three year terms so that, in subsequent years, approximately one-third of the voting members shall be appointed each year. The governor shall assign the initial one, two, and three year terms to members by lot.))~~ A

vacancy shall be filled by appointment for the unexpired term in the same manner provided for an appointment to the full term. No member of the commission may be removed by the ~~((governor))~~ director during his or her term of office unless for cause of incapacity, incompetence, neglect of duty, or malfeasance in office. Each member of the commission shall receive travel expenses in accordance with RCW 43.03.050 and 43.03.060 for attending meetings of the commission and for performing special duties, in the way of official commission business, specifically assigned to the person by the commission. The voting members of the commission serve without compensation from the state other than such travel expenses.

(3) ~~((Nominations for the initial appointments to the commission under subsection (1) of this section shall be submitted by September 1, 1995. The governor shall make initial appointments to the commission by October 15, 1995.~~

~~(4))~~ The commission shall elect a chair from among its voting members each calendar year. After its original organizational meeting, the commission shall meet at the call of the chair. A majority of the voting members of the commission constitutes a quorum and an official action of the commission may be taken by a majority vote of the quorum.

Community Economic Revitalization Board

Sec. 25. RCW 43.160.030 and 2008 c 327 s 3 are each amended to read as follows:

(1) The community economic revitalization board is hereby created to exercise the powers granted under this chapter.

(2) The board shall consist of one member from each of the two major caucuses of the house of representatives to be appointed by the speaker of the house and one member from each of the two major caucuses of the senate to be appointed by the president of the senate. The board shall also consist of the following members appointed by the ~~((governor))~~ director of commerce: A recognized private or public sector economist; one port district official; one county official; one city official; one representative of a federally recognized Indian tribe; one representative of the public; one representative of small businesses each from: (a) The area west of Puget Sound, (b) the area east of Puget Sound and west of the Cascade range, (c) the area east of the Cascade range and west of the Columbia river, and (d) the area east of the Columbia river; one executive from large businesses each from the area west of the Cascades and the area east of the Cascades. The appointive members shall initially be appointed to terms as follows: Three members for one-year terms, three members for two-year terms, and three members for three-year terms which shall include the chair. Thereafter each succeeding term shall be for three years. The chair of the board shall be selected by the ~~((governor))~~ director of commerce. The members of the board shall elect one of their members to serve as vice-chair. The director of ~~((community, trade, and economic development))~~ commerce, the director of revenue, the commissioner of employment security, and the secretary of transportation shall serve as nonvoting advisory members of the board.

(3) Management services, including fiscal and contract services, shall be provided by the department to assist the board in implementing this chapter.

(4) Members of the board shall be reimbursed for travel expenses as provided in RCW 43.03.050 and 43.03.060.

(5) If a vacancy occurs by death, resignation, or otherwise of appointive members of the board, the ~~((governor))~~ director of commerce shall fill the same for the unexpired term. Members of the board may be removed for malfeasance or misfeasance in office, upon specific written charges by the ~~((governor))~~ director of commerce, under chapter 34.05 RCW.

(6) A member appointed by the ~~((governor))~~ director of commerce may not be absent from more than fifty percent of the regularly scheduled meetings in any one calendar year. Any member who exceeds this absence limitation is deemed to have withdrawn from the office and may be replaced by the ~~((governor))~~ director of commerce.

(7) A majority of members currently appointed constitutes a quorum.

Commute Trip Reduction Board

Sec. 26. RCW 70.94.537 and 2006 c 329 s 7 are each amended to read as follows:

(1) A sixteen member state commute trip reduction board is established as follows:

(a) The secretary of ~~((the department of))~~ transportation or the secretary's designee who shall serve as chair;

(b) One representative from the office of ~~((the governor or the governor's designee))~~ financial management;

(c) The director or the director's designee of one of the following agencies, to be determined by the ~~((governor))~~ secretary of transportation:

(i) Department of general administration;

(ii) Department of ecology;

(iii) Department of ~~((community, trade, and economic development))~~ commerce;

(d) Three representatives from cities and towns or counties appointed by the ~~((governor))~~ secretary of transportation for staggered four-year terms from a list recommended by the association of Washington cities or the Washington state association of counties;

(e) Two representatives from transit agencies appointed by the ~~((governor))~~ secretary of transportation for staggered four-year terms from a list recommended by the Washington state transit association;

(f) Two representatives from participating regional transportation planning organizations appointed by the ~~((governor))~~ secretary of transportation for staggered four-year terms;

(g) Four representatives of employers at or owners of major worksites in Washington, or transportation management associations, business improvement areas, or other transportation organizations representing employers, appointed by the ~~((governor))~~ secretary of transportation for staggered four-year terms; and

(h) Two citizens appointed by the ~~((governor))~~ secretary of transportation for staggered four-year terms.

Members of the commute trip reduction board shall serve without compensation but shall be reimbursed for travel expenses as provided in RCW 43.03.050 and 43.03.060. Members appointed by the (~~governor~~) secretary of transportation shall be compensated in accordance with RCW 43.03.220. The board has all powers necessary to carry out its duties as prescribed by this chapter.

(2) By March 1, 2007, the department of transportation shall establish rules for commute trip reduction plans and implementation procedures. The commute trip reduction board shall advise the department on the content of the rules. The rules are intended to ensure consistency in commute trip reduction plans and goals among jurisdictions while fairly taking into account differences in employment and housing density, employer size, existing and anticipated levels of transit service, special employer circumstances, and other factors the board determines to be relevant. The rules shall include:

- (a) Guidance criteria for growth and transportation efficiency centers;
- (b) Data measurement methods and procedures for determining the efficacy of commute trip reduction activities and progress toward meeting commute trip reduction plan goals;
- (c) Model commute trip reduction ordinances;
- (d) Methods for assuring consistency in the treatment of employers who have worksites subject to the requirements of this chapter in more than one jurisdiction;
- (e) An appeals process by which major employers, who as a result of special characteristics of their business or its locations would be unable to meet the requirements of a commute trip reduction plan, may obtain a waiver or modification of those requirements and criteria for determining eligibility for waiver or modification;
- (f) Establishment of a process for determining the state's affected areas, including criteria and procedures for regional transportation planning organizations in consultation with local jurisdictions to propose to add or exempt urban growth areas;
- (g) Listing of the affected areas of the program to be done every four years as identified in subsection (5) of this section;
- (h) Establishment of a criteria and application process to determine whether jurisdictions that voluntarily implement commute trip reduction are eligible for state funding;
- (i) Guidelines and deadlines for creating and updating local commute trip reduction plans, including guidance to ensure consistency between the local commute trip reduction plan and the transportation demand management strategies identified in the transportation element in the local comprehensive plan, as required by RCW 36.70A.070;
- (j) Guidelines for creating and updating regional commute trip reduction plans, including guidance to ensure the regional commute trip reduction plan is consistent with and incorporated into transportation demand management components in the regional transportation plan;
- (k) Methods for regional transportation planning organizations to evaluate and certify that designated growth and transportation efficiency center programs meet the minimum requirements and are eligible for funding;

(l) Guidelines for creating and updating growth and transportation efficiency center programs; and

(m) Establishment of statewide program goals. The goals shall be designed to achieve substantial reductions in the proportion of single-occupant vehicle commute trips and the commute trip vehicle miles traveled per employee, at a level that is projected to improve the mobility of people and goods by increasing the efficiency of the state highway system.

(3) The board shall create a state commute trip reduction plan that shall be updated every four years as discussed in subsection (5) of this section. The state commute trip reduction plan shall include, but is not limited to: (a) Statewide commute trip reduction program goals that are designed to substantially improve the mobility of people and goods; (b) identification of strategies at the state and regional levels to achieve the goals and recommendations for how transportation demand management strategies can be targeted most effectively to support commute trip reduction program goals; (c) performance measures for assessing the cost-effectiveness of commute trip reduction strategies and the benefits for the state transportation system; and (d) a sustainable financial plan. The board shall review and approve regional commute trip reduction plans, and work collaboratively with regional transportation planning organizations in the establishment of the state commute trip reduction plan.

(4) The board shall work with affected jurisdictions, major employers, and other parties to develop and implement a public awareness campaign designed to increase the effectiveness of local commute trip reduction programs and support achievement of the objectives identified in this chapter.

(5) The board shall evaluate and update the commute trip reduction program plan and recommend changes to the rules every four years, with the first assessment report due July 1, 2011, to ensure that the latest data methodology used by the department of transportation is incorporated into the program and to determine which areas of the state should be affected by the program. The board shall review the definition of a major employer no later than December 1, 2009. The board shall regularly identify urban growth areas that are projected to be affected by chapter 329, Laws of 2006 in the next four-year period and may provide advance planning support to the potentially affected jurisdictions.

(6) The board shall review progress toward implementing commute trip reduction plans and programs and the costs and benefits of commute trip reduction plans and programs and shall make recommendations to the legislature and the governor by December 1, 2009, and every two years thereafter. In assessing the costs and benefits, the board shall consider the costs of not having implemented commute trip reduction plans and programs with the assistance of the transportation performance audit board authorized under chapter 44.75 RCW. The board shall examine other transportation demand management programs nationally and incorporate its findings into its recommendations to the legislature. The recommendations shall address the need for continuation, modification, or termination or any or all requirements of this chapter.

(7) The board shall invite personnel with appropriate expertise from state, regional, and local government, private, public, and nonprofit providers of transportation services, and employers or owners of major worksites in Washington to act as a technical advisory group. The technical advisory group shall advise the board on the implementation of local and regional commute trip

reduction plans and programs, program evaluation, program funding allocations, and state rules and guidelines.

Sec. 27. RCW 38.52.040 and 1995 c 269 s 1202 are each amended to read as follows:

(1) There is hereby created the emergency management council (hereinafter called the council), to consist of not more than seventeen members who shall be appointed by the ~~((governor))~~ adjutant general. The membership of the council shall include, but not be limited to, representatives of city and county governments, sheriffs and police chiefs, the Washington state patrol, the military department, the department of ecology, state and local fire chiefs, seismic safety experts, state and local emergency management directors, search and rescue volunteers, medical professions who have expertise in emergency medical care, building officials, and private industry. The representatives of private industry shall include persons knowledgeable in emergency and hazardous materials management. The council members shall elect a chairman from within the council membership. The members of the council shall serve without compensation, but may be reimbursed for their travel expenses incurred in the performance of their duties in accordance with RCW 43.03.050 and 43.03.060 as now existing or hereafter amended.

(2) The emergency management council shall advise the governor and the director on all matters pertaining to state and local emergency management. The council may appoint such ad hoc committees, subcommittees, and working groups as are required to develop specific recommendations for the improvement of emergency management practices, standards, policies, or procedures. The council shall ensure that the governor receives an annual assessment of statewide emergency preparedness including, but not limited to, specific progress on hazard mitigation and reduction efforts, implementation of seismic safety improvements, reduction of flood hazards, and coordination of hazardous materials planning and response activities. The council or a subcommittee thereof shall periodically convene in special session and serve during those sessions as the state emergency response commission required by P.L. 99-499, the emergency planning and community right-to-know act. When sitting in session as the state emergency response commission, the council shall confine its deliberations to those items specified in federal statutes and state administrative rules governing the coordination of hazardous materials policy. The council shall review administrative rules governing state and local emergency management practices and recommend necessary revisions to the director.

Emergency Medical Services and Trauma Care Steering Committee

Sec. 28. RCW 70.168.020 and 2000 c 93 s 20 are each amended to read as follows:

(1) There is hereby created an emergency medical services and trauma care steering committee composed of representatives of individuals knowledgeable in emergency medical services and trauma care, including emergency medical providers such as physicians, nurses, hospital personnel, emergency medical technicians, paramedics, ambulance services, a member of the emergency medical services licensing and certification advisory committee, local

government officials, state officials, consumers, and persons affiliated professionally with health science schools. The ~~((governor))~~ secretary shall appoint members of the steering committee. Members shall be appointed for a period of three years. The department shall provide administrative support to the committee. All appointive members of the committee, in the performance of their duties, may be entitled to receive travel expenses as provided in RCW 43.03.050 and 43.03.060. The ~~((governor))~~ secretary may remove members from the committee who have three unexcused absences from committee meetings. The ~~((governor))~~ secretary shall fill any vacancies of the committee in a timely manner. The terms of those members representing the same field shall not expire at the same time.

The committee shall elect a chair and a vice-chair whose terms of office shall be for one year each. The chair shall be ineligible for reelection after serving four consecutive terms.

The committee shall meet on call by the ~~((governor,))~~ the secretary(,) or the chair.

(2) The emergency medical services and trauma care steering committee shall:

(a) Advise the department regarding emergency medical services and trauma care needs throughout the state.

(b) Review the regional emergency medical services and trauma care plans and recommend changes to the department before the department adopts the plans.

(c) Review proposed departmental rules for emergency medical services and trauma care.

(d) Recommend modifications in rules regarding emergency medical services and trauma care.

Horse Racing Compact Committee

Sec. 29. RCW 67.17.050 and 2001 c 18 s 6 are each amended to read as follows:

(1) There is created an interstate governmental entity to be known as the "compact committee" which shall be comprised of one official from the racing commission or its equivalent in each party state who shall be appointed, serve, and be subject to removal in accordance with the laws of the party state he or she represents. Under the laws of his or her party state, each official shall have the assistance of his or her state's racing commission or the equivalent thereof in considering issues related to licensing of participants in live racing and in fulfilling his or her responsibilities as the representative from his or her state to the compact committee. If an official is unable to perform any duty in connection with the powers and duties of the compact committee, the racing commission or equivalent thereof from his or her state shall designate another of its members as an alternate who shall serve in his or her place and represent the party state as its official on the compact committee until that racing commission or equivalent thereof determines that the original representative official is able once again to perform his or her duties as that party state's representative official on the compact committee. The designation of an alternate shall be

communicated by the affected state's racing commission or equivalent thereof to the compact committee as the committee's bylaws may provide.

(2) The ~~((governor))~~ horse racing commission shall appoint the official to represent the state of Washington on the compact committee for a term of four years. No official may serve more than three consecutive terms. A vacancy shall be filled by the ~~((governor))~~ horse racing commission for the unexpired term.

Productivity Board

Sec. 30. RCW 41.60.015 and 2000 c 139 s 1 are each amended to read as follows:

(1) There is hereby created the productivity board, which may also be known as the employee involvement and recognition board. The board shall administer the employee suggestion program and the teamwork incentive program under this chapter.

(2) The board shall be composed of:

(a) The secretary of state who shall act as chairperson;

(b) The director of personnel appointed under the provisions of RCW 41.06.130 or the director's designee;

(c) The director of financial management or the director's designee;

(d) The director of general administration or the director's designee;

(e) Three persons with experience in administering incentives such as those used by industry, with the ~~((governor,))~~ lieutenant governor, secretary of state, and speaker of the house of representatives each appointing one person. The ~~((governor's))~~ secretary of state's appointee shall be a representative of an employee organization certified as an exclusive representative of at least one bargaining unit of classified employees; and

(f) Two persons representing state agencies and institutions with employees subject to chapter 41.06 RCW, and one person representing those subject to chapter 28B.16 RCW, both appointed by the ~~((governor, and~~

~~((g) In addition, the governor and board chairperson may jointly appoint persons to the board on an ad hoc basis. Ad hoc members shall serve in an advisory capacity and shall not have the right to vote))~~ secretary of state.

Members under subsection (2)(e) and (f) of this section shall be appointed to serve three-year terms.

Members of the board appointed pursuant to subsection (2)(e) of this section may be compensated in accordance with RCW 43.03.240. Any board member who is not a state employee may be reimbursed for travel expenses under RCW 43.03.050 and 43.03.060.

State Council on Aging

Sec. 31. RCW 43.20A.685 and 1981 c 151 s 2 are each amended to read as follows:

(1) ~~((The initial members of the council shall be appointed by the governor to staggered terms such that approximately one-third of the members serve terms of one year, one-third serve terms of two years, and one-third serve terms of three years. Thereafter,))~~ Members of the council shall be appointed ((by the

~~governor~~) to terms of three years, except in the case of a vacancy, in which event appointment shall be for the remainder of the unexpired term for which the vacancy occurs. No member of the council may serve more than two consecutive three-year terms. Each area agency on aging advisory council shall appoint one member (~~(shall be appointed)~~) from (~~(each)~~) its state-designated planning and service area (~~(from a list of names transmitted by each area agency on aging advisory council, such list including the names of all persons nominated within the planning and service area together with the area agency on aging advisory council's recommendations)~~). The governor shall appoint one additional member from names submitted by the association of Washington cities and one additional member from names submitted by the Washington state association of counties. In addition, the governor may appoint not more than five at large members, in order to ensure that rural areas (those areas outside of a standard metropolitan statistical area), minority populations, and those individuals with special skills which could assist the state council are represented. The members of the state council on aging shall elect, at the council's initial meeting and at the council's first meeting each year, one member to serve as chairperson of the council and another member to serve as secretary of the council.

(2) The speaker of the house of representatives and the president of the senate shall each appoint two nonvoting members to the council; one from each of the two largest caucuses in each house. The terms of the members so appointed shall be for approximately two years and the terms shall expire before the first day of the legislative session in odd-numbered years. They shall be compensated by their respective houses as provided under RCW 44.04.120, as now or hereafter amended.

(3) With the exception of the members from the Washington state association of cities, the Washington state association of counties, and the nonvoting legislative members, all members of the council shall be at least fifty-five years old.

Washington State Horse Park Commission

Sec. 32. RCW 79A.30.030 and 2000 c 11 s 85 are each amended to read as follows:

(1) A nonprofit corporation may be formed under the nonprofit corporation provisions of chapter 24.03 RCW to carry out the purposes of this chapter. Except as provided in RCW 79A.30.040, the corporation shall have all the powers and be subject to the same restrictions as are permitted or prescribed to nonprofit corporations and shall exercise those powers only for carrying out the purposes of this chapter and those purposes necessarily implied therefrom. The nonprofit corporation shall be known as the Washington state horse park authority. The articles of incorporation shall provide that it is the responsibility of the authority to develop, promote, operate, manage, and maintain the Washington state horse park. The articles of incorporation shall provide for appointment of directors and other conduct of business consistent with the requirements of this chapter.

(2)(a) The articles of incorporation shall provide for a seven-member board of directors for the authority, all appointed by the (~~governor~~) commission.

Board members shall serve three-year terms, except that two of the original appointees shall serve one-year terms, and two of the original appointees shall serve two-year terms. A board member may serve consecutive terms.

(b) The articles of incorporation shall provide that the ~~((governor))~~ commission appoint board members as follows:

(i) One board member shall represent the interests of the commission ~~((--In making this appointment, the governor shall solicit recommendations from the commission))~~);

(ii) One board member shall represent the interests of the county in which the park is located. In making this appointment, the ~~((governor))~~ commission shall solicit recommendations from the county legislative authority; and

(iii) Five board members shall represent the geographic and sports discipline diversity of equestrian interests in the state, and at least one of these members shall have business experience relevant to the organization of horse shows or operation of a horse show facility. In making these appointments, the ~~((governor))~~ commission shall solicit recommendations from a variety of active horse-related organizations in the state.

(3) The articles of incorporation shall include a policy that provides for the preferential use of a specific area of the horse park facilities at nominal cost for horse groups associated with youth groups and ~~((the disabled))~~ individuals with disabilities.

(4) The ~~((governor))~~ commission shall make appointments to fill board vacancies for positions authorized under subsection (2) of this section, upon additional solicitation of recommendations from the board of directors.

(5) The board of directors shall perform their duties in the best interests of the authority, consistent with the standards applicable to directors of nonprofit corporations under RCW 24.03.127.

Educational Opportunity Gap Oversight and Accountability Committee

Sec. 33. RCW 28A.300.136 and 2010 c 235 s 901 are each amended to read as follows:

(1) An ~~((achievement))~~ educational opportunity gap oversight and accountability committee is created to synthesize the findings and recommendations from the 2008 achievement gap studies into an implementation plan, and to recommend policies and strategies to the superintendent of public instruction, the professional educator standards board, and the state board of education to close the achievement gap.

(2) The committee shall recommend specific policies and strategies in at least the following areas:

(a) Supporting and facilitating parent and community involvement and outreach;

(b) Enhancing the cultural competency of current and future educators and the cultural relevance of curriculum and instruction;

(c) Expanding pathways and strategies to prepare and recruit diverse teachers and administrators;

(d) Recommending current programs and resources that should be redirected to narrow the gap;

(e) Identifying data elements and systems needed to monitor progress in closing the gap;

(f) Making closing the achievement gap part of the school and school district improvement process; and

(g) Exploring innovative school models that have shown success in closing the achievement gap.

(3) Taking a multidisciplinary approach, the committee may seek input and advice from other state and local agencies and organizations with expertise in health, social services, gang and violence prevention, substance abuse prevention, and other issues that disproportionately affect student achievement and student success.

(4) The ~~((achievement))~~ educational opportunity gap oversight and accountability committee shall be composed of the following members:

(a) The chairs and ranking minority members of the house and senate education committees, or their designees;

(b) One additional member of the house of representatives appointed by the speaker of the house and one additional member of the senate appointed by the president of the senate;

(c) A representative of the office of the education ombudsman;

(d) A representative of the center for the improvement of student learning in the office of the superintendent of public instruction;

(e) A representative of federally recognized Indian tribes whose traditional lands and territories lie within the borders of Washington state, designated by the federally recognized tribes; and

(f) Four members appointed by the governor in consultation with the state ethnic commissions, who represent the following populations: African-Americans, Hispanic Americans, Asian Americans, and Pacific Islander Americans.

(5) The governor and the tribes are encouraged to designate members who have experience working in and with schools.

(6) The committee may convene ad hoc working groups to obtain additional input and participation from community members. Members of ad hoc working groups shall serve without compensation and shall not be reimbursed for travel or other expenses.

(7) The chair or cochairs of the committee shall be selected by the members of the committee. Staff support for the committee shall be provided by the center for the improvement of student learning. Members of the committee shall serve without compensation but must be reimbursed as provided in RCW 43.03.050 and 43.03.060. Legislative members of the committee shall be reimbursed for travel expenses in accordance with RCW 44.04.120.

(8) The superintendent of public instruction, the state board of education, the professional educator standards board, and the quality education council shall work collaboratively with the ~~((achievement))~~ educational opportunity gap oversight and accountability committee to close the achievement gap.

Capitol Campus Design Advisory Committee

Sec. 34. RCW 43.34.080 and 1990 c 93 s 1 are each amended to read as follows:

(1) The capitol campus design advisory committee is established as an advisory group to the capitol committee and the director of general administration to review programs, planning, design, and landscaping of state capitol facilities and grounds and to make recommendations that will contribute to the attainment of architectural, aesthetic, functional, and environmental excellence in design and maintenance of capitol facilities on campus and located in neighboring communities.

(2) The advisory committee shall consist of the following persons who shall be appointed by and serve at the pleasure of the ~~((governor))~~ director of general administration:

- (a) Two architects;
- (b) A landscape architect; and
- (c) An urban planner.

The ~~((governor))~~ director of general administration shall appoint the chair and vice chair and shall ~~((instruct the director of general administration to))~~ provide the staff and resources necessary for implementing this section. The advisory committee shall meet at least once every ninety days and at the call of the chair.

The members of the committee shall be reimbursed as provided in RCW 43.03.220 and 44.04.120.

(3) The advisory committee shall also consist of the secretary of state and two members of the house of representatives, one from each caucus, who shall be appointed by the speaker of the house of representatives, and two members of the senate, one from each caucus, who shall be appointed by the president of the senate.

(4) The advisory committee shall review plans and designs affecting state capitol facilities as they are developed. The advisory committee's review shall include:

- (a) The process of solicitation and selection of appropriate professional design services including design-build proposals;
- (b) Compliance with the capitol campus master plan and design concepts as adopted by the capitol committee;
- (c) The design, siting, and grouping of state capitol facilities relative to the service needs of state government and the impact upon the local community's economy, environment, traffic patterns, and other factors;
- (d) The relationship of overall state capitol facility planning to the respective comprehensive plans for long-range urban development of the cities of Olympia, Lacey, and Tumwater, and Thurston county; and
- (e) Landscaping plans and designs, including planting proposals, street furniture, sculpture, monuments, and access to the capitol campus and buildings.

Correctional Industries Board

Sec. 35. RCW 72.09.070 and 2004 c 167 s 1 are each amended to read as follows:

~~((+))~~ There is created a correctional industries ~~((board of directors))~~ advisory committee which shall have the composition provided in RCW 72.09.080. The advisory committee shall make recommendations to the secretary regarding the implementation of RCW 72.09.100.

~~((2) Consistent with general department of corrections policies and procedures pertaining to the general administration of correctional facilities, the board shall establish and implement policy for correctional industries programs designed to:~~

~~(a) Offer inmates meaningful employment, work experience, and training in vocations that are specifically designed to reduce recidivism and thereby enhance public safety by providing opportunities for legitimate means of livelihood upon their release from custody;~~

~~(b) Provide industries which will reduce the tax burden of corrections and save taxpayers money through production of goods and services for sale and use;~~

~~(c) Operate correctional work programs in an effective and efficient manner which are as similar as possible to those provided by the private sector;~~

~~(d) Encourage the development of and provide for selection of, contracting for, and supervision of work programs with participating private enterprise firms;~~

~~(e) Develop and select correctional industries work programs that do not unfairly compete with Washington businesses;~~

~~(f) Invest available funds in correctional industries enterprises and meaningful work programs that minimize the impact on in-state jobs and businesses.~~

~~(3) The board of directors shall at least annually review the work performance of the director of correctional industries division with the secretary.~~

~~(4) The director of correctional industries division shall review and evaluate the productivity, funding, and appropriateness of all correctional work programs and report on their effectiveness to the board and to the secretary.~~

~~(5) The board of directors shall have the authority to identify and establish trade advisory or apprenticeship committees to advise them on correctional industries work programs. The secretary shall appoint the members of the committees.~~

~~Where a labor management trade advisory and apprenticeship committee has already been established by the department pursuant to RCW 72.62.050 the existing committee shall also advise the board of directors.~~

~~(6) The board shall develop a strategic yearly marketing plan that shall be consistent with and work towards achieving the goals established in the six year phased expansion of class I and class II correctional industries established in RCW 72.09.111. This marketing plan shall be presented to the appropriate committees of the legislature by January 17 of each calendar year until the goals set forth in RCW 72.09.111 are achieved.))~~

Sec. 36. RCW 72.09.090 and 1989 c 185 s 6 are each amended to read as follows:

The correctional industries account is established in the state treasury. The department of corrections shall deposit in the account all moneys collected and all profits that accrue from the industrial and agricultural operations of the department and any moneys appropriated to the account. Moneys in the account may be spent only for expenses arising in the correctional industries operations.

The division's net profits from correctional industries' sales and contracts shall be reinvested, without appropriation, in the expansion and improvement of correctional industries. However, the ~~((board of directors))~~ secretary shall

annually recommend that some portion of the profits from correctional industries be returned to the state general fund.

The ~~((board and))~~ secretary shall request appropriations or increased appropriations whenever it appears that additional money is needed to provide for the establishment and operation of a comprehensive correctional industries program.

Sec. 37. RCW 72.09.100 and 2005 c 346 s 1 are each amended to read as follows:

It is the intent of the legislature to vest in the department the power to provide for a comprehensive inmate work program and to remove statutory and other restrictions which have limited work programs in the past. It is also the intent of the legislature to ensure that the ~~((correctional industries board of directors))~~ department, in developing and selecting correctional industries work programs, does not encourage the development of, or provide for selection of or contracting for, or the significant expansion of, any new or existing class I correctional industries work programs that unfairly compete with Washington businesses. The legislature intends that the requirements relating to fair competition in the correctional industries work programs be liberally construed by the ~~((correctional industries board of directors))~~ department to protect Washington businesses from unfair competition. For purposes of establishing such a comprehensive program, the legislature recommends that the department consider adopting any or all, or any variation of, the following classes of work programs:

(1) CLASS I: FREE VENTURE INDUSTRIES.

(a) The employer model industries in this class shall be operated and managed in total or in part by any profit or nonprofit organization pursuant to an agreement between the organization and the department. The organization shall produce goods or services for sale to both the public and private sector.

(b) The customer model industries in this class shall be operated and managed by the department to provide Washington state manufacturers or businesses with products or services currently produced or provided by out-of-state or foreign suppliers.

(c) The ~~((correctional industries board of directors))~~ department shall review these proposed industries, including any potential new class I industries work program or the significant expansion of an existing class I industries work program, before the department contracts to provide such products or services. The review shall include the analysis required under RCW 72.09.115 to determine if the proposed correctional industries work program will compete with any Washington business. An agreement for a new class I correctional industries work program, or an agreement for a significant expansion of an existing class I correctional industries work program, that unfairly competes with any Washington business is prohibited.

(d) The department ~~((of corrections))~~ shall supply appropriate security and custody services without charge to the participating firms.

(e) Inmates who work in free venture industries shall do so at their own choice. They shall be paid a wage comparable to the wage paid for work of a similar nature in the locality in which the industry is located, as determined by the director of correctional industries. If the director cannot reasonably

determine the comparable wage, then the pay shall not be less than the federal minimum wage.

(f) An inmate who is employed in the class I program of correctional industries shall not be eligible for unemployment compensation benefits pursuant to any of the provisions of Title 50 RCW until released on parole or discharged.

(2) CLASS II: TAX REDUCTION INDUSTRIES.

(a) Industries in this class shall be state-owned and operated enterprises designed primarily to reduce the costs for goods and services for tax-supported agencies and for nonprofit organizations.

(b)(i) The industries selected for development within this class shall, as much as possible, match the available pool of inmate work skills and aptitudes with the work opportunities in the free community. The industries shall be closely patterned after private sector industries but with the objective of reducing public support costs rather than making a profit.

(ii) The products and services of this industry, including purchased products and services necessary for a complete product line, may be sold to the following:

(A) Public agencies;

(B) Nonprofit organizations;

(C) Private contractors when the goods purchased will be ultimately used by a public agency or a nonprofit organization;

(D) An employee and immediate family members of an employee of the department (~~(of corrections)~~); and

(E) A person under the supervision of the department (~~(of corrections)~~) and his or her immediate family members.

(iii) The (~~(correctional industries board of directors)~~) department shall authorize the type and quantity of items that may be purchased and sold under (b)(ii)(D) and (E) of this subsection.

(iv) It is prohibited to purchase any item purchased under (b)(ii)(D) and (E) of this subsection for the purpose of resale.

(v) Clothing manufactured by an industry in this class may be donated to nonprofit organizations that provide clothing free of charge to low-income persons.

(c)(i) Class II correctional industries products and services shall be reviewed by the (~~(correctional industries board of directors)~~) department before offering such products and services for sale to private contractors.

(ii) The (~~(board of directors)~~) secretary shall conduct a yearly marketing review of the products and services offered under this subsection. Such review shall include an analysis of the potential impact of the proposed products and services on the Washington state business community. To avoid waste or spoilage and consequent loss to the state, when there is no public sector market for such goods, by-products and surpluses of timber, agricultural, and animal husbandry enterprises may be sold to private persons, at private sale. Surplus by-products and surpluses of timber, agricultural and animal husbandry enterprises that cannot be sold to public agencies or to private persons may be donated to nonprofit organizations. All sales of surplus products shall be carried out in accordance with rules prescribed by the secretary.

(d) Security and custody services shall be provided without charge by the department (~~(of corrections)~~).

(e) Inmates working in this class of industries shall do so at their own choice and shall be paid for their work on a gratuity scale which shall not exceed the wage paid for work of a similar nature in the locality in which the industry is located and which is approved by the director of correctional industries.

(f) ~~((Subject to approval of the correctional industries board,))~~ Provisions of RCW 41.06.142 shall not apply to contracts with Washington state businesses entered into by the department ~~((of corrections))~~ through class II industries.

(3) CLASS III: INSTITUTIONAL SUPPORT INDUSTRIES.

(a) Industries in this class shall be operated by the department ~~((of corrections))~~. They shall be designed and managed to accomplish the following objectives:

(i) Whenever possible, to provide basic work training and experience so that the inmate will be able to qualify for better work both within correctional industries and the free community. It is not intended that an inmate's work within this class of industries should be his or her final and total work experience as an inmate.

(ii) Whenever possible, to provide forty hours of work or work training per week.

(iii) Whenever possible, to offset tax and other public support costs.

(b) Class III correctional industries shall be reviewed by the ~~((correctional industries board of directors))~~ department to set policy for work crews. The department shall ~~((present to the board of directors))~~ prepare quarterly detail statements showing where work crews worked, what correctional industry class, and the hours worked. ~~((The board of directors may review any class III program at its discretion.))~~

(c) Supervising, management, and custody staff shall be employees of the department.

(d) All able and eligible inmates who are assigned work and who are not working in other classes of industries shall work in this class.

(e) Except for inmates who work in work training programs, inmates in this class shall be paid for their work in accordance with an inmate gratuity scale. The scale shall be adopted by the secretary of corrections.

(4) CLASS IV: COMMUNITY WORK INDUSTRIES.

(a) Industries in this class shall be operated by the department ~~((of corrections))~~. They shall be designed and managed to provide services in the inmate's resident community at a reduced cost. The services shall be provided to public agencies, to persons who are poor or infirm, or to nonprofit organizations.

(b) Class IV correctional industries shall be reviewed by the ~~((correctional industries board of directors))~~ department to set policy for work crews. The department shall ~~((present to the board of directors))~~ prepare quarterly detail statements showing where work crews worked, what correctional industry class, and the hours worked. ~~((The board of directors may review any class IV program at its discretion.))~~ Class IV correctional industries operated in work camps established pursuant to RCW 72.64.050 are exempt from the requirements of this subsection (4)(b).

(c) Inmates in this program shall reside in facilities owned by, contracted for, or licensed by the department ~~((of corrections))~~. A unit of local government shall provide work supervision services without charge to the state and shall pay the inmate's wage.

(d) The department (~~(of corrections)~~) shall reimburse participating units of local government for liability and workers compensation insurance costs.

(e) Inmates who work in this class of industries shall do so at their own choice and shall receive a gratuity which shall not exceed the wage paid for work of a similar nature in the locality in which the industry is located.

(5) CLASS V: COMMUNITY RESTITUTION PROGRAMS.

(a) Programs in this class shall be subject to supervision by the department (~~(of corrections)~~). The purpose of this class of industries is to enable an inmate, placed on community supervision, to work off all or part of a community restitution order as ordered by the sentencing court.

(b) Employment shall be in a community restitution program operated by the state, local units of government, or a nonprofit agency.

(c) To the extent that funds are specifically made available for such purposes, the department (~~(of corrections)~~) shall reimburse nonprofit agencies for workers compensation insurance costs.

Sec. 38. RCW 72.09.015 and 2010 c 181 s 1 are each amended to read as follows:

The definitions in this section apply throughout this chapter.

(1) "Adult basic education" means education or instruction designed to achieve general competence of skills in reading, writing, and oral communication, including English as a second language and preparation and testing services for obtaining a high school diploma or a general equivalency diploma.

(2) "Base level of correctional services" means the minimum level of field services the department of corrections is required by statute to provide for the supervision and monitoring of offenders.

(3) "Community custody" has the same meaning as that provided in RCW 9.94A.030 and also includes community placement and community supervision as defined in RCW 9.94B.020.

(4) "Contraband" means any object or communication the secretary determines shall not be allowed to be: (a) Brought into; (b) possessed while on the grounds of; or (c) sent from any institution under the control of the secretary.

(5) "Correctional facility" means a facility or institution operated directly or by contract by the secretary for the purposes of incarcerating adults in total or partial confinement, as defined in RCW 9.94A.030.

(6) "County" means a county or combination of counties.

(7) "Department" means the department of corrections.

(8) "Earned early release" means earned release as authorized by RCW 9.94A.728.

(9) "Evidence-based" means a program or practice that has had multiple-site random controlled trials across heterogeneous populations demonstrating that the program or practice is effective in reducing recidivism for the population.

(10) "Extended family visit" means an authorized visit between an inmate and a member of his or her immediate family that occurs in a private visiting unit located at the correctional facility where the inmate is confined.

(11) "Good conduct" means compliance with department rules and policies.

(12) "Good performance" means successful completion of a program required by the department, including an education, work, or other program.

(13) "Immediate family" means the inmate's children, stepchildren, grandchildren, great grandchildren, parents, stepparents, grandparents, great grandparents, siblings, and a person legally married to or in a state registered domestic partnership with an inmate. "Immediate family" does not include an inmate adopted by another inmate or the immediate family of the adopted or adopting inmate.

(14) "Indigent inmate," "indigent," and "indigency" mean an inmate who has less than a ten-dollar balance of disposable income in his or her institutional account on the day a request is made to utilize funds and during the thirty days previous to the request.

(15) "Individual reentry plan" means the plan to prepare an offender for release into the community. It should be developed collaboratively between the department and the offender and based on an assessment of the offender using a standardized and comprehensive tool to identify the offender's risks and needs. The individual reentry plan describes actions that should occur to prepare individual offenders for release from prison or jail, specifies the supervision and services they will experience in the community, and describes an offender's eventual discharge to aftercare upon successful completion of supervision. An individual reentry plan is updated throughout the period of an offender's incarceration and supervision to be relevant to the offender's current needs and risks.

(16) "Inmate" means a person committed to the custody of the department, including but not limited to persons residing in a correctional institution or facility and persons released from such facility on furlough, work release, or community custody, and persons received from another state, state agency, county, or federal jurisdiction.

(17) "Labor" means the period of time before a birth during which contractions are of sufficient frequency, intensity, and duration to bring about effacement and progressive dilation of the cervix.

(18) "Physical restraint" means the use of any bodily force or physical intervention to control an offender or limit an offender's freedom of movement in a way that does not involve a mechanical restraint. Physical restraint does not include momentary periods of minimal physical restriction by direct person-to-person contact, without the aid of mechanical restraint, accomplished with limited force and designed to:

(a) Prevent an offender from completing an act that would result in potential bodily harm to self or others or damage property;

(b) Remove a disruptive offender who is unwilling to leave the area voluntarily; or

(c) Guide an offender from one location to another.

(19) "Postpartum recovery" means (a) the entire period a woman or youth is in the hospital, birthing center, or clinic after giving birth and (b) an additional time period, if any, a treating physician determines is necessary for healing after the woman or youth leaves the hospital, birthing center, or clinic.

(20) "Privilege" means any goods or services, education or work programs, or earned early release days, the receipt of which are directly linked to an inmate's (a) good conduct; and (b) good performance. Privileges do not include any goods or services the department is required to provide under the state or federal Constitution or under state or federal law.

(21) "Promising practice" means a practice that presents, based on preliminary information, potential for becoming a research-based or consensus-based practice.

(22) "Research-based" means a program or practice that has some research demonstrating effectiveness, but that does not yet meet the standard of evidence-based practices.

(23) "Restraints" means anything used to control the movement of a person's body or limbs and includes:

(a) Physical restraint; or

(b) Mechanical device including but not limited to: Metal handcuffs, plastic ties, ankle restraints, leather cuffs, other hospital-type restraints, tasers, or batons.

(24) "Secretary" means the secretary of corrections or his or her designee.

(25) "Significant expansion" includes any expansion into a new product line or service to the class I business that results from an increase in benefits provided by the department, including a decrease in labor costs, rent, or utility rates (for water, sewer, electricity, and disposal), an increase in work program space, tax advantages, or other overhead costs.

(26) "Superintendent" means the superintendent of a correctional facility under the jurisdiction of the Washington state department of corrections, or his or her designee.

(27) "Transportation" means the conveying, by any means, of an incarcerated pregnant woman or youth from the correctional facility to another location from the moment she leaves the correctional facility to the time of arrival at the other location, and includes the escorting of the pregnant incarcerated woman or youth from the correctional facility to a transport vehicle and from the vehicle to the other location.

(28) "Unfair competition" means any net competitive advantage that a business may acquire as a result of a correctional industries contract, including labor costs, rent, tax advantages, utility rates (water, sewer, electricity, and disposal), and other overhead costs. To determine net competitive advantage, the ~~((correctional industries board))~~ department of corrections shall review and quantify any expenses unique to operating a for-profit business inside a prison.

(29) "Vocational training" or "vocational education" means "vocational education" as defined in RCW 72.62.020.

(30) "Washington business" means an in-state manufacturer or service provider subject to chapter 82.04 RCW existing on June 10, 2004.

(31) "Work programs" means all classes of correctional industries jobs authorized under RCW 72.09.100.

Sec. 39. RCW 72.62.020 and 1989 c 185 s 12 are each amended to read as follows:

When used in this chapter, unless the context otherwise requires:

The term "vocational education" means a planned series of learning experiences, the specific objective of which is to prepare individuals for gainful employment as semiskilled or skilled workers or technicians or subprofessionals in recognized occupations and in new and emerging occupations, but shall not mean programs the primary characteristic of which is repetitive work for the purpose of production, including the correctional industries program. Nothing in this section shall be construed to prohibit the ~~((correctional industries board of~~

~~directors))~~ department of corrections from identifying and establishing trade advisory or apprenticeship committees to advise them on correctional industries work programs.

Sec. 40. RCW 72.09.080 and 1993 sp.s. c 20 s 4 are each amended to read as follows:

(1) The correctional industries (~~board of directors~~) advisory committee shall consist of nine voting members, appointed by the (~~governor~~) secretary. Each member shall serve a three-year staggered term. (~~Initially, the governor shall appoint three members to one-year terms, three members to two-year terms, and three members to three-year terms.~~) The speaker of the house of representatives and the president of the senate shall each appoint one member from each of the two largest caucuses in their respective houses. The legislators so appointed shall be nonvoting members and shall serve two-year terms, or until they cease to be members of the house from which they were appointed, whichever occurs first. The nine members appointed by the (~~governor~~) secretary shall include three representatives from labor, three representatives from business representing cross-sections of industries and all sizes of employers, and three members from the general public.

(2) The (~~board of directors~~) committee shall elect a chair and such other officers as it deems appropriate from among the voting members.

(3) The voting members of the (~~board of directors~~) committee shall serve with compensation pursuant to RCW 43.03.240 and shall be reimbursed by the department for travel expenses and per diem under RCW 43.03.050 and 43.03.060, as now or hereafter amended. Legislative members shall be reimbursed under RCW 44.04.120, as now or hereafter amended.

(4) The secretary shall provide such staff services, facilities, and equipment as the board shall require to carry out its duties.

Hanford Area Economic Investment Fund Committee

Sec. 41. RCW 43.31.425 and 1998 c 76 s 2 are each amended to read as follows:

The Hanford area economic investment fund advisory committee is hereby established to advise the director of the department of commerce.

(1) The committee shall have eleven members. The (~~governor~~) director of the department of commerce shall appoint the members, in consultation with Hanford area elected officials, subject to the following requirements:

(a) All members shall either reside or be employed within the Hanford area.

(b) The committee shall have a balanced membership representing one member each from the elected leadership of Benton county, Franklin county, the city of Richland, the city of Kennewick, the city of Pasco, a Hanford area port district, the labor community, and four members from the Hanford area business and financial community.

(c) Careful consideration shall be given to assure minority representation on the committee.

(2) Each member appointed by the (~~governor~~) director of the department of commerce shall serve a term of three years (~~except that of the members first appointed, four shall serve two-year terms and four shall serve one-year terms~~). A person appointed to fill a vacancy of a member shall be appointed in a like

manner and shall serve for only the unexpired term. A member is eligible for reappointment. A member may be removed by the ~~((governor))~~ director of the department of commerce for cause.

(3) The ~~((governor))~~ director of the department of commerce shall designate a member of the committee as its chairperson. The committee may elect such other officers as it deems appropriate. Six members of the committee constitute a quorum and six affirmative votes are necessary for the transaction of business or the exercise of any power or function of the committee.

(4) The members shall serve without compensation, but are entitled to reimbursement for actual and necessary expenses incurred in the performance of official duties in accordance with RCW 43.03.050 and 43.03.060.

(5) Members shall not be liable to the state, to the fund, or to any other person as a result of their activities, whether ministerial or discretionary, as members except for willful dishonesty or intentional violations of law. The department may purchase liability insurance for members and may indemnify these persons against the claims of others.

Sec. 42. RCW 43.31.422 and 2004 c 77 s 1 are each amended to read as follows:

The Hanford area economic investment fund is established in the custody of the state treasurer. Moneys in the fund shall only be used for reasonable assistant attorney general costs in support of the committee or pursuant to the decisions of the committee created in RCW 43.31.425 for Hanford area revolving loan funds, Hanford area infrastructure projects, or other Hanford area economic development and diversification projects, but may not be used for government or nonprofit organization operating expenses. Up to five percent of moneys in the fund may be used for program administration. For the purpose of this chapter "Hanford area" means Benton and Franklin counties. The director of ~~((community, trade, and economic development))~~ commerce or the director's designee shall authorize disbursements from the fund ~~((after an affirmative vote of at least six members))~~ with the advice of the committee created in RCW 43.31.425 ~~((on any decisions reached by the committee created in RCW 43.31.425))~~. The fund is subject to the allotment procedures under chapter 43.88 RCW, but no appropriation is required for disbursements. The legislature intends to establish similar economic investment funds for areas that develop low-level radioactive waste disposal facilities.

Home Inspector Advisory Licensing Board

Sec. 43. RCW 18.280.040 and 2008 c 119 s 4 are each amended to read as follows:

(1) The state home inspector advisory licensing board is created. The board consists of seven members appointed by the ~~((governor))~~ director, who shall advise the director concerning the administration of this chapter. Of the appointments to this board, six must be actively engaged as home inspectors immediately prior to their appointment to the board, and one must be currently teaching in a home inspector education program. Insofar as possible, the composition of the appointed home inspector members of the board must be generally representative of the geographic distribution of home inspectors

licensed under this chapter. No more than two board members may be members of a particular national home inspector association or organization.

(2) A home inspector must have the following qualifications to be appointed to the board:

(a) Actively engaged as a home inspector in the state of Washington for five years;

(b) Licensed as a home inspector under this chapter, except for initial appointments; and

(c) Performed a minimum of five hundred home inspections in the state of Washington.

(3) Members of the board are appointed for three-year terms. Terms must be staggered so that not more than two appointments are scheduled to be made in any calendar year. Members hold office until the expiration of the terms for which they were appointed. The ~~((governor))~~ director may remove a board member for just cause. The ~~((governor))~~ director may appoint a new member to fill a vacancy on the board for the remainder of the unexpired term. All board members are limited to two consecutive terms.

(4) Each board member is entitled to compensation for each day spent conducting official business and to reimbursement for travel expenses in accordance with RCW 43.03.240, 43.03.050, and 43.03.060.

Real Estate Appraiser Commission

Sec. 44. RCW 18.140.230 and 2005 c 339 s 19 are each amended to read as follows:

There is established the real estate appraiser commission of the state of Washington, consisting of seven members who shall act to give advice to the director.

(1) The seven commission members shall be appointed by the ~~((governor))~~ director in the following manner: For a term of six years each, with the exception of the first appointees who shall be the incumbent members of the predecessor real estate appraiser advisory committee to serve for the duration of their current terms, with all other subsequent appointees to be appointed for a six-year term.

(2) At least two of the commission members shall be selected from the area of the state east of the Cascade mountain range and at least two of the commission members shall be selected from the area of the state west of the Cascade mountain range. At least two members of the commission shall be certified general real estate appraisers, at least two members of the commission shall be certified residential real estate appraisers, and at least one member of the commission may be a licensed real estate appraiser, all pursuant to this chapter. No certified or licensed appraiser commission member shall be appointed who has not been certified and/or licensed pursuant to this chapter for less than ten years, except that this experience duration shall be not less than five years only for any commission member taking office before January 1, 2003. One member shall be an employee of a financial institution as defined in this chapter whose duties are concerned with real estate appraisal management and policy. One member shall be an individual engaged in mass appraisal whose duties are concerned with ad valorem appraisal management and policy and who is

licensed or certified under this chapter. One member may be a member of the general public.

(3) The members of the commission annually shall elect their chairperson and vice chairperson to serve for a term of one calendar year. A majority of the members of said commission shall at all times constitute a quorum.

(4) Any vacancy on the commission shall be filled by appointment by the ~~((governor))~~ director for the unexpired term.

Escrow Commission

Sec. 45. RCW 18.44.011 and 2010 c 34 s 1 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) "Committee" means the escrow advisory committee of the state of Washington created by RCW 18.44.500.

(2) "Controlling person" is any person who owns or controls ten percent or more of the beneficial ownership of any escrow agent, regardless of the form of business organization employed and regardless of whether such interest stands in such person's true name or in the name of a nominee.

~~((2))~~ (3) "Department" means the department of financial institutions.

~~((3))~~ (4) "Designated escrow officer" means any licensed escrow officer designated by a licensed escrow agent and approved by the director as the licensed escrow officer responsible for supervising that agent's handling of escrow transactions, management of the agent's trust account, and supervision of all other licensed escrow officers employed by the agent.

~~((4))~~ (5) "Director" means the director of financial institutions, or his or her duly authorized representative.

~~((5))~~ (6) "Director of licensing" means the director of the department of licensing, or his or her duly authorized representative.

~~((6))~~ (7) "Escrow" means any transaction, except the acts of a qualified intermediary in facilitating an exchange under section 1031 of the internal revenue code, wherein any person or persons, for the purpose of effecting and closing the sale, purchase, exchange, transfer, encumbrance, or lease of real or personal property to another person or persons, delivers any written instrument, money, evidence of title to real or personal property, or other thing of value to a third person to be held by such third person until the happening of a specified event or the performance of a prescribed condition or conditions, when it is then to be delivered by such third person, in compliance with instructions under which he or she is to act, to a grantee, grantor, promisee, promisor, obligee, obligor, lessee, lessor, bailee, bailor, or any agent or employee thereof.

~~((7))~~ (8) "Escrow agent" means any person engaged in the business of performing for compensation the duties of the third person referred to in subsection ~~((6))~~ (7) of this section.

~~((8) "Escrow commission" means the escrow commission of the state of Washington created by RCW 18.44.500.)~~

(9) "Licensed escrow agent" means any sole proprietorship, firm, association, partnership, or corporation holding a license as an escrow agent under the provisions of this chapter.

(10) "Licensed escrow officer" means any natural person handling escrow transactions and licensed as such by the director.

(11) "Person" means a natural person, firm, association, partnership, corporation, limited liability company, or the plural thereof, whether resident, nonresident, citizen, or not.

(12) "Split escrow" means a transaction in which two or more escrow agents act to effect and close an escrow transaction.

Sec. 46. RCW 18.44.221 and 1999 c 30 s 31 are each amended to read as follows:

The director shall, within thirty days after ~~((the))~~ a written request ~~((of the escrow commission))~~, hold a public hearing to determine whether the fidelity bond, surety bond, and/or the errors and omissions policy specified in RCW 18.44.201 is reasonably available to a substantial number of licensed escrow agents. If the director determines and the insurance commissioner concurs that such bond or bonds and/or policy is not reasonably available, the director shall waive the requirements for such bond or bonds and/or policy for a fixed period of time.

Sec. 47. RCW 18.44.251 and 1995 c 238 s 5 are each amended to read as follows:

A request for a waiver of the required errors and omissions policy may be accomplished under the statute by submitting to the director an affidavit that substantially addresses the following:

REQUEST FOR WAIVER OF
ERRORS AND OMISSIONS POLICY

I,, residing at, City of, County of, State of Washington, declare the following:

(1) ~~((The state escrow commission has determined that))~~ An errors and omissions policy is not reasonably available to a substantial number of licensed escrow officers; and

(2) Purchasing an errors and omissions policy is cost-prohibitive at this time; and

(3) I have not engaged in any conduct that resulted in the termination of my escrow certificate; and

(4) I have not paid, directly or through an errors and omissions policy, claims in excess of ten thousand dollars, exclusive of costs and attorneys' fees, during the calendar year preceding submission of this affidavit; and

(5) I have not paid, directly or through an errors and omissions policy, claims, exclusive of costs and attorneys' fees, totaling in excess of twenty thousand dollars in the three calendar years immediately preceding submission of this affidavit; and

(6) I have not been convicted of a crime involving honesty or moral turpitude during the calendar year preceding submission of this application.

THEREFORE, in consideration of the above, I,, respectfully request that the director of financial institutions grant this request for a waiver of the requirement that I purchase and maintain an errors and omissions policy covering my activities as an escrow agent licensed by the state of Washington for the period from, 19, to, 19

Submitted this day of day of, 19

.....
(signature)

member, the director shall appoint a successor to serve for a term of five years or until the member's successor has been appointed and qualified.

The director may remove any member of the ~~((commission))~~ committee for cause. Vacancies in the ~~((commission))~~ committee for any reason shall be filled by appointment for the unexpired term.

Members shall be compensated in accordance with RCW 43.03.240, and shall be reimbursed for their travel expenses incurred in carrying out the provisions of this chapter in accordance with RCW 43.03.050 and 43.03.060.

Livestock Identification Advisory Board

Sec. 51. RCW 16.57.015 and 2003 c 326 s 3 are each amended to read as follows:

(1) The director shall establish a livestock identification advisory ~~((board))~~ committee. The ~~((board))~~ committee shall be composed of six members appointed by the director. One member shall represent each of the following groups: Beef producers, public livestock market operators, horse owners, dairy farmers, cattle feeders, and meat processors. As used in this subsection, "meat processor" means a person licensed to operate a slaughtering establishment under chapter 16.49 RCW or the federal meat inspection act (21 U.S.C. Sec. 601 et seq.). In making appointments, the director shall solicit nominations from organizations representing these groups statewide. The ~~((board))~~ committee shall elect a member to serve as chair of the ~~((board))~~ committee.

(2) The purpose of the ~~((board))~~ committee is to provide advice to the director regarding livestock identification programs administered under this chapter and regarding inspection fees and related licensing fees. The director shall consult the ~~((board))~~ committee before adopting, amending, or repealing a rule under this chapter or altering a fee under RCW 16.58.050, 16.65.030, 16.65.037, or 16.65.090. If the director publishes in the state register a proposed rule to be adopted under the authority of this chapter and the rule has not received the approval of the advisory ~~((board))~~ committee, the director shall file with the ~~((board))~~ committee a written statement setting forth the director's reasons for proposing the rule without the ~~((board's))~~ committee's approval.

(3) The members of the advisory ~~((board))~~ committee serve three-year terms. However, the director shall by rule provide shorter initial terms for some of the members of the ~~((board))~~ committee to stagger the expiration of the initial terms. The members serve without compensation. The director may authorize the expenses of a member to be reimbursed if the member is selected to attend a regional or national conference or meeting regarding livestock identification. Any such reimbursement shall be in accordance with RCW 43.03.050 and 43.03.060.

Sec. 52. RCW 16.57.353 and 2004 c 233 s 1 are each amended to read as follows:

(1) The director may adopt rules:

(a) To support the agriculture industry in meeting federal requirements for the country-of-origin labeling of meat. Any requirements established under this subsection for country of origin labeling purposes shall be substantially consistent with and shall not exceed the requirements established by the United States department of agriculture; and

(b) In consultation with the livestock identification advisory (~~board~~) committee under RCW 16.57.015, to implement federal requirements for animal identification needed to trace the source of livestock for disease control and response purposes.

(2) The director may cooperate with and enter into agreements with other states and agencies of federal government to carry out such systems and to promote consistency of regulation.

Superintendent of Public Instruction

NEW SECTION. **Sec. 53.** A new section is added to chapter 28A.300 RCW to read as follows:

In addition to any board, commission, council, committee, or other similar group established by statute or executive order, the superintendent of public instruction may appoint advisory groups on subject matters within the superintendent's responsibilities or as may be required by any federal legislation as a condition to the receipt of federal funds by the federal department. The advisory groups shall be constituted as required by federal law or as the superintendent may determine.

Members of advisory groups under the authority of the superintendent may be paid their travel expenses in accordance with RCW 43.03.050 and 43.03.060.

Except as provided in this section, members of advisory groups under the authority of the superintendent are volunteering their services and are not eligible for compensation. A person is eligible to receive compensation in an amount not to exceed one hundred dollars for each day during which the member attends an official meeting of the group or performs statutorily prescribed duties approved by the chairperson of the group if the person (1) occupies a position, normally regarded as full-time in nature, as a certificated employee of a local school district; (2) is participating as part of their employment with the local school district; and (3) the meeting or duties are performed outside the period in which school days as defined by RCW 28A.150.030 are conducted. The superintendent may reimburse local school districts for substitute certificated employees to enable members to meet or perform duties on school days. A person is eligible to receive compensation from federal funds in an amount to be determined by personal service contract for groups required by federal law.

Quality Education Council

Sec. 54. RCW 28A.290.010 and 2010 c 236 s 15 and 2010 c 234 s 4 are each reenacted and amended to read as follows:

(1) The quality education council is created to recommend and inform the ongoing implementation by the legislature of an evolving program of basic education and the financing necessary to support such program. The council shall develop strategic recommendations on the program of basic education for the common schools. The council shall take into consideration the capacity report produced under RCW 28A.300.172 and the availability of data and progress of implementing the data systems required under RCW 28A.655.210. Any recommendations for modifications to the program of basic education shall

be based on evidence that the programs effectively support student learning. The council shall update the statewide strategic recommendations every four years. The recommendations of the council are intended to:

(a) Inform future educational policy and funding decisions of the legislature and governor;

(b) Identify measurable goals and priorities for the educational system in Washington state for a ten-year time period, including the goals of basic education and ongoing strategies for coordinating statewide efforts to eliminate the achievement gap and reduce student dropout rates; and

(c) Enable the state of Washington to continue to implement an evolving program of basic education.

(2) The council may request updates and progress reports from the office of the superintendent of public instruction, the state board of education, the professional educator standards board, and the department of early learning on the work of the agencies as well as educational working groups established by the legislature.

(3) The chair of the council shall be selected from the councilmembers. The council shall be composed of the following members:

(a) Four members of the house of representatives, with two members representing each of the major caucuses and appointed by the speaker of the house of representatives;

(b) Four members of the senate, with two members representing each of the major caucuses and appointed by the president of the senate;

(c) One representative each from the office of the governor, office of the superintendent of public instruction, state board of education, professional educator standards board, and department of early learning; and

(d) One nonlegislative representative from the ~~((achievement))~~ educational opportunity gap oversight and accountability committee established under RCW 28A.300.136, to be selected by the members of the committee.

(4) ~~((In the 2009 fiscal year, the council shall meet as often as necessary as determined by the chair. In subsequent years,))~~ The council shall meet no more than four ~~((times))~~ days a year.

(5)(a) The council shall submit an initial report to the governor and the legislature by January 1, 2010, detailing its recommendations, including recommendations for resolving issues or decisions requiring legislative action during the 2010 legislative session, and recommendations for any funding necessary to continue development and implementation of chapter 548, Laws of 2009.

(b) The initial report shall, at a minimum, include:

(i) Consideration of how to establish a statewide beginning teacher mentoring and support system;

(ii) Recommendations for a program of early learning for at-risk children;

(iii) A recommended schedule for the concurrent phase-in of the changes to the instructional program of basic education and the implementation of the funding formulas and allocations to support the new instructional program of basic education as established under chapter 548, Laws of 2009. The phase-in schedule shall have full implementation completed by September 1, 2018; and

(iv) A recommended schedule for phased-in implementation of the new distribution formula for allocating state funds to school districts for the

transportation of students to and from school, with phase-in beginning no later than September 1, 2013.

(6) The council shall submit a report to the legislature by January 1, 2012, detailing its recommendations for a comprehensive plan for a voluntary program of early learning. Before submitting the report, the council shall seek input from the early learning advisory council created in RCW 43.215.090.

(7) The council shall submit a report to the governor and the legislature by December 1, 2010, that includes:

(a) Recommendations for specific strategies, programs, and funding, including funding allocations through the funding distribution formula in RCW 28A.150.260, that are designed to close the achievement gap and increase the high school graduation rate in Washington public schools. The council shall consult with the ~~((achievement))~~ educational opportunity gap oversight and accountability committee and the building bridges work group in developing its recommendations; and

(b) Recommendations for assuring adequate levels of state-funded classified staff to support essential school and district services.

(8) The council shall be staffed by the office of the superintendent of public instruction and the office of financial management. Additional staff support shall be provided by the state entities with representatives on the council. Senate committee services and the house of representatives office of program research may provide additional staff support.

(9) Legislative members of the council shall serve without additional compensation but may be reimbursed for travel expenses in accordance with RCW 44.04.120 while attending sessions of the council or on official business authorized by the council. Nonlegislative members of the council may be reimbursed for travel expenses in accordance with RCW 43.03.050 and 43.03.060.

PART II - OTHER PROVISIONS

Sec. 55. RCW 43.03.220 and 2010 1st sp.s. c 7 s 142 are each amended to read as follows:

(1) Any part-time board, commission, council, committee, or other similar group which is established by the executive, legislative, or judicial branch to participate in state government and which functions primarily in an advisory, coordinating, or planning capacity shall be identified as a class one group.

(2) Absent any other provision of law to the contrary, no money beyond the customary reimbursement or allowance for expenses may be paid by or through the state to members of class one groups for attendance at meetings of such groups.

(3) ~~((Beginning July 1, 2010, through June 30, 2011,))~~ (a) No person designated as a member of a class one board, commission, council, committee, or similar group may receive an allowance for subsistence, lodging, or travel expenses if the allowance cost is funded by the state general fund. Exceptions may be granted under section ~~((605, chapter 3, Laws of 2010))~~ 63 of this act. Class one groups, when feasible, shall use an alternative means of conducting a meeting that does not require travel while still maximizing member and public participation and may use a meeting format that requires members to be

physically present at one location only when necessary or required by law. ~~((Meetings that require a member's physical presence at one location must be held in state facilities whenever possible, and meetings conducted using private facilities must be approved by the director of the office of financial management.~~

~~(4) Beginning July 1, 2010, through June 30, 2011,))~~ (b) Class one groups that are funded by sources other than the state general fund are encouraged to reduce travel, lodging, and other costs associated with conducting the business of the group including use of other meeting formats that do not require travel.

Sec. 56. RCW 43.03.230 and 2010 1st sp.s. c 7 s 143 are each amended to read as follows:

(1) Any agricultural commodity board or commission established pursuant to Title 15 or 16 RCW shall be identified as a class two group for purposes of compensation.

(2) Except as otherwise provided in this section, each member of a class two group is eligible to receive compensation in an amount not to exceed one hundred dollars for each day during which the member attends an official meeting of the group or performs statutorily prescribed duties approved by the chairperson of the group. A person shall not receive compensation for a day of service under this section if the person (a) occupies a position, normally regarded as full-time in nature, in any agency of the federal government, Washington state government, or Washington state local government; and (b) receives any compensation from such government for working that day.

(3) Compensation may be paid a member under this section only if it is authorized under the law dealing in particular with the specific group to which the member belongs or dealing in particular with the members of that specific group.

~~(4) ((Beginning July 1, 2010, through June 30, 2011,))~~ No person designated as a member of a class two board, commission, council, committee, or similar group may receive an allowance for subsistence, lodging, or travel expenses if the allowance cost is funded by the state general fund. Exceptions may be granted under section ~~((605, chapter 3, Laws of 2010))~~ 63 of this act. Class two groups, when feasible, shall use an alternative means of conducting a meeting that does not require travel while still maximizing member and public participation and may use a meeting format that requires members to be physically present at one location only when necessary or required by law. ~~((Meetings that require a member's physical presence at one location must be held in state facilities whenever possible, and meetings conducted using private facilities must be approved by the director of the office of financial management.))~~

(5) ~~((Beginning July 1, 2010, through June 30, 2011,))~~ Class two groups that are funded by sources other than the state general fund are encouraged to reduce travel, lodging, and other costs associated with conducting the business of the group including use of other meeting formats that do not require travel.

Sec. 57. RCW 43.03.240 and 2010 1st sp.s. c 7 s 144 are each amended to read as follows:

(1) Any part-time, statutory board, commission, council, committee, or other similar group which has rule-making authority, performs quasi judicial functions, has responsibility for the administration or policy direction of a state agency or program, or performs regulatory or licensing functions with respect to a specific profession, occupation, business, or industry shall be identified as a class three group for purposes of compensation.

(2) Except as otherwise provided in this section, each member of a class three group is eligible to receive compensation in an amount not to exceed fifty dollars for each day during which the member attends an official meeting of the group or performs statutorily prescribed duties approved by the chairperson of the group. A person shall not receive compensation for a day of service under this section if the person (a) occupies a position, normally regarded as full-time in nature, in any agency of the federal government, Washington state government, or Washington state local government; and (b) receives any compensation from such government for working that day.

(3) Compensation may be paid a member under this section only if it is authorized under the law dealing in particular with the specific group to which the member belongs or dealing in particular with the members of that specific group.

(4) ~~((Beginning July 1, 2010, through June 30, 2011,))~~ No person designated as a member of a class three board, commission, council, committee, or similar group may receive an allowance for subsistence, lodging, or travel expenses if the allowance cost is funded by the state general fund. Exceptions may be granted under section ~~((605, chapter 3, Laws of 2010))~~ 63 of this act. Class three groups, when feasible, shall use an alternative means of conducting a meeting that does not require travel while still maximizing member and public participation and may use a meeting format that requires members to be physically present at one location only when necessary or required by law. ~~((Meetings that require a member's physical presence at one location must be held in state facilities whenever possible, and meetings conducted using private facilities must be approved by the director of the office of financial management.))~~

(5) ~~((Beginning July 1, 2010, through June 30, 2011,))~~ Class three groups that are funded by sources other than the state general fund are encouraged to reduce travel, lodging, and other costs associated with conducting the business of the group including use of other meeting formats that do not require travel.

Sec. 58. RCW 43.03.250 and 2010 1st sp.s. c 7 s 145 are each amended to read as follows:

(1) A part-time, statutory board, commission, council, committee, or other similar group shall be identified as a class four group for purposes of compensation if the group:

(a) Has rule-making authority, performs quasi-judicial functions, or has responsibility for the administration or policy direction of a state agency or program;

(b) Has duties that are deemed by the legislature to be of overriding sensitivity and importance to the public welfare and the operation of state government; and

(c) Requires service from its members representing a significant demand on their time that is normally in excess of one hundred hours of meeting time per year.

(2) Each member of a class four group is eligible to receive compensation in an amount not to exceed one hundred dollars for each day during which the member attends an official meeting of the group or performs statutorily prescribed duties approved by the chairperson of the group. A person shall not receive compensation for a day of service under this section if the person (a) occupies a position, normally regarded as full-time in nature, in any agency of the federal government, Washington state government, or Washington state local government; and (b) receives any compensation from such government for working that day.

(3) Compensation may be paid a member under this section only if it is authorized under the law dealing in particular with the specific group to which the member belongs or dealing in particular with the members of that specific group.

(4) ~~((Beginning July 1, 2010, through June 30, 2011,))~~ Class four groups, when feasible, shall use an alternative means of conducting a meeting that does not require travel while still maximizing member and public participation and may use a meeting format that requires members to be physically present at one location only when necessary or required by law. ~~((Meetings that require a member's physical presence at one location must be held in state facilities whenever possible, and meetings conducted using private facilities must be approved by the director of the office of financial management.))~~

Sec. 59. RCW 43.03.265 and 2010 1st sp.s. c 7 s 146 are each amended to read as follows:

(1) Any part-time commission that has rule-making authority, performs quasi-judicial functions, has responsibility for the policy direction of a health profession credentialing program, and performs regulatory and licensing functions with respect to a health care profession licensed under Title 18 RCW shall be identified as a class five group for purposes of compensation.

(2) Except as otherwise provided in this section, each member of a class five group is eligible to receive compensation in an amount not to exceed two hundred fifty dollars for each day during which the member attends an official meeting of the group or performs statutorily prescribed duties approved by the chairperson of the group. A person shall not receive compensation for a day of service under this section if the person (a) occupies a position, normally regarded as full-time in nature, in any agency of the federal government, Washington state government, or Washington state local government; and (b) receives any compensation from such government for working that day.

(3) Compensation may be paid a member under this section only if it is necessarily incurred in the course of authorized business consistent with the responsibilities of the commission established by law.

(4) (~~Beginning July 1, 2010, through June 30, 2011,)~~ No person designated as a member of a class five board, commission, council, committee, or similar group may receive an allowance for subsistence, lodging, or travel expenses if the allowance cost is funded by the state general fund. Exceptions may be granted under section (~~605, chapter 3, Laws of 2010~~) 63 of this act. Class five groups, when feasible, shall use an alternative means of conducting a meeting that does not require travel while still maximizing member and public participation and may use a meeting format that requires members to be physically present at one location only when necessary or required by law. (~~Meetings that require a member's physical presence at one location must be held in state facilities whenever possible, and meetings conducted using private facilities must be approved by the director of the office of financial management.~~)

(5) (~~Beginning July 1, 2010, through June 30, 2011,)~~ Class five groups that are funded by sources other than the state general fund are encouraged to reduce travel, lodging, and other costs associated with conducting the business of the group including use of other meeting formats that do not require travel.

NEW SECTION. Sec. 60. A new section is added to chapter 39.29 RCW to read as follows:

Except under a specific statute to the contrary, agencies are prohibited from entering into personal service contracts with members of any agency board, commission, council, committee, or other similar group formed to advise the activities and management of state government for services related to work done as a member of the agency board, commission, council, committee, or other similar group.

Sec. 61. RCW 43.03.050 and 2010 1st sp.s. c 7 s 141 are each amended to read as follows:

(1) The director of financial management shall prescribe reasonable allowances to cover reasonable and necessary subsistence and lodging expenses for elective and appointive officials and state employees while engaged on official business away from their designated posts of duty. The director of financial management may prescribe and regulate the allowances provided in lieu of subsistence and lodging expenses and may prescribe the conditions under which reimbursement for subsistence and lodging may be allowed. The schedule of allowances adopted by the office of financial management may include special allowances for foreign travel and other travel involving higher than usual costs for subsistence and lodging. The allowances established by the director shall not exceed the rates set by the federal government for federal employees. However, during the 2003-05 fiscal biennium, the allowances for any county that is part of a metropolitan statistical area, the largest city of which is in another state, shall equal the allowances prescribed for that larger city.

(2) Those persons appointed to serve without compensation on any state board, commission, or committee, if entitled to payment of travel expenses, shall be paid pursuant to special per diem rates prescribed in accordance with subsection (1) of this section by the office of financial management.

(3) The director of financial management may prescribe reasonable allowances to cover reasonable expenses for meals, coffee, and light refreshment served to elective and appointive officials and state employees regardless of

travel status at a meeting where: (a) The purpose of the meeting is to conduct official state business or to provide formal training to state employees or state officials; (b) the meals, coffee, or light refreshment are an integral part of the meeting or training session; (c) the meeting or training session takes place away from the employee's or official's regular workplace; and (d) the agency head or authorized designee approves payments in advance for the meals, coffee, or light refreshment. In order to prevent abuse, the director may regulate such allowances and prescribe additional conditions for claiming the allowances.

(4) Upon approval of the agency head or authorized designee, an agency may serve coffee or light refreshments at a meeting where: (a) The purpose of the meeting is to conduct state business or to provide formal training that benefits the state; and (b) the coffee or light refreshment is an integral part of the meeting or training session. The director of financial management shall adopt requirements necessary to prohibit abuse of the authority authorized in this subsection.

(5) The schedule of allowances prescribed by the director under the terms of this section and any subsequent increases in any maximum allowance or special allowances for areas of higher than usual costs shall be reported to the ways and means committees of the house of representatives and the senate at each regular session of the legislature.

(6) (~~Beginning July 1, 2010, through June 30, 2011,~~) No person designated as a member of a class one through class three or class five board, commission, council, committee, or similar group may receive an allowance for subsistence, lodging, or travel expenses if the allowance cost is funded by the state general fund. Exceptions may be granted under section (~~605, chapter 3, Laws of 2010~~) 63 of this act.

Sec. 62. RCW 43.03.060 and 1990 c 30 s 2 are each amended to read as follows:

(1) Whenever it becomes necessary for elective or appointive officials or employees of the state to travel away from their designated posts of duty while engaged on official business, and it is found to be more advantageous or economical to the state that travel be by a privately-owned vehicle rather than a common carrier or a state-owned or operated vehicle, a mileage rate established by the director of financial management shall be allowed. The mileage rate established by the director shall not exceed any rate set by the United States treasury department above which the substantiation requirements specified in Treasury Department Regulations section 1.274-5T(a)(1), as now law or hereafter amended, will apply.

(2) The director of financial management may prescribe and regulate the specific mileage rate or other allowance for the use of privately-owned vehicles or common carriers on official business and the conditions under which reimbursement of transportation costs may be allowed. The reimbursement or other payment for transportation expenses of any employee or appointive official of the state shall be based on the method deemed most advantageous or economical to the state.

(3) The mileage rate established by the director of financial management pursuant to this section and any subsequent changes thereto shall be reported to the ways and means committees of the house of representatives and the senate at each regular session of the legislature.

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(4) No person designated as a member of a class one through class three or class five board, commission, council, committee, or similar group may receive an allowance for subsistence, lodging, or travel expenses if the allowance cost is funded by the state general fund. Exceptions may be granted under section 63 of this act.

NEW SECTION. Sec. 63. A new section is added to chapter 43.03 RCW to read as follows:

Exceptions to restrictions on subsistence, lodging, or travel expenses under this chapter may be granted for the critically necessary work of an agency. For agencies of the executive branch, the exceptions shall be subject to approval by the director of financial management or the director's designee. For agencies of the judicial branch, the exceptions shall be subject to approval of the chief justice of the supreme court. For the house of representatives and the senate, the exceptions shall be subject to the approval of the chief clerk of the house of representatives and the secretary of the senate, respectively, under the direction of the senate committee on facilities and operations and the executive rules committee of the house of representatives. For other legislative agencies, the exceptions shall be subject to approval of both the chief clerk of the house of representatives and the secretary of the senate under the direction of the senate committee on facilities and operations and the executive rules committee of the house of representatives.

Effective Dates

NEW SECTION. Sec. 64. Except for sections 53 and 60 of this act, this act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and takes effect July 1, 2011.

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Passed by the House May 23, 2011.
Passed by the Senate May 20, 2011.
Approved by the Governor June 7, 2011.
Filed in Office of Secretary of State June 8, 2011.

AUTHENTICATION

I, K. Kyle Thiessen, Code Reviser of the State of Washington, certify that, with the exception of such corrections as I have made in accordance with the powers vested in me by RCW 44.20.060, the laws published in this volume are a true and correct reproduction of the copies of the enrolled laws of the 2011 session (62nd Legislature), chapters 336 through 380, and the 2011 special session, chapters 1 through 21, respectively, as certified and transmitted to the Statute Law Committee by the Secretary of State under RCW 44.20.020.

IN TESTIMONY WHEREOF, I have hereunto set my hand at Olympia, Washington, this 22nd day of July, 2011.



K. KYLE THIESSEN
Code Reviser

