



**FINAL LEGISLATIVE  
REPORT**

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**Sixty-Third  
Washington State Legislature**

2013 Regular Session

2013 First Special Session

2013 Second Special Session

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## Statistical Summary

2013 Regular Session of the 63rd Legislature  
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Bills Before Legislature	Introduced	Passed Legislature	Vetoed	Partially Vetoed	Enacted
<i>2013 Regular Session (January 14 - April 28)</i>					
House	1060	177	2	4	175
Senate	931	161	0	3	161
<b>TOTALS</b>	<b>1991</b>	<b>338</b>	<b>2</b>	<b>7</b>	<b>336</b>
<i>2013 First Special Session (May 13-June 11)</i>					
House	15	0	0	0	0
Senate	18	0	0	0	0
<b>TOTALS</b>	<b>33</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<i>2013 Second Special Session (June 12- June 29)</i>					
House	13	16	0	0	16
Senate	3	19	0	3	19
<b>TOTALS</b>	<b>16</b>	<b>35</b>	<b>0</b>	<b>3</b>	<b>35</b>

Joint Memorials, Joint Resolutions and Concurrent Resolutions Before Legislature	Introduced	Filed with the Secretary of State
<i>2013 Regular Session (January 14 - April 28)</i>		
House	21	6
Senate	27	8
<b>TOTALS</b>	<b>48</b>	<b>14</b>
<i>2013 First Special Session (May 13-June 11)</i>		
House	4	3
Senate	0	0
<b>TOTALS</b>	<b>4</b>	<b>3</b>
<i>2013 Second Special Session (June 12 - June 29)</i>		
House	3	3
Senate	0	0
<b>TOTALS</b>	<b>3</b>	<b>3</b>

Initiatives		
<i>2013 Regular Session (January 14 - April 28)</i>	5	3
<i>2013 First Special Session (May 13-June 11)</i>	0	0
<i>2013 Second Special Session (June 12 - June 29)</i>	0	0
Gubernatorial Appointments	Referred	Confirmed
<i>2013 Regular Session (January 14 - April 28)</i>	224	118
<i>2013 First Special Session (May 13-June 11)</i>	16	1
<i>2013 Second Special Session (June 12 - June 29)</i>	0	0

## Historical - Bills Passed Legislature

Ten-Year Average				Actual			
	Odd Years	Even Years	Biennial	2013	2013 1 <sup>st</sup> Special	2013 2 <sup>nd</sup> Special	2013 Total
House Bills	273	166	439	177	0	16	193
Senate Bills	215	155	370	161	0	19	180
<b>TOTALS</b>	<b>488</b>	<b>321</b>	<b>809</b>	<b>338</b>	<b>0</b>	<b>35</b>	<b>373</b>

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## I 502

### C 3 L 13

Regarding the decriminalization of marijuana.

By People of the State of Washington.

**Background:** Under the Uniform Controlled Substances Act, the degree of restriction placed over a controlled substance depends on the potential for abuse and the degree of psychic dependency which may be caused by use of the controlled substance.

Controlled substances are placed in five different schedules to reflect the amount of restriction necessary, with Schedule I being the most restricted, and Schedule V being the least restricted. The penalty for violations involving a controlled substance varies depending on the schedule on which the substance is placed. Marijuana is a Schedule I controlled substance. The possession of 40 grams or less of marijuana is a misdemeanor offense. All other offenses relating to the possession, manufacturing, delivering or possessing with intent to deliver marijuana are class C felony offenses. The maximum punishment for a class C felony offense is five years imprisonment, a \$10,000 fine, or both.

In 1998 Washington voters approved Initiative 692, the Medical Use of Marijuana Act (Act). The Act creates an affirmative defense to the violation of state laws relating to marijuana if the individual uses and possesses it for medicinal purposes. Qualifying patients, or their designated provider, may establish the defense if they only possess the amount of marijuana necessary for their personal use, up to a 60-day supply, and if they present valid documentation to law enforcement officers. Qualifying patients are those who (1) have been diagnosed with a terminal or debilitating medical condition; (2) have been advised by a physician about the risks and benefits of the medical use of marijuana; and (3) may benefit from such use.

Under federal law, the use of marijuana for any purposes violates the Uniform Controlled Substances Act. Absent congressional action, state laws permitting the use of marijuana for any purposes does not protect an individual from legal action by the federal government.

**Summary:** Initiative 502 authorizes the Liquor Control Board (LCB) to license and regulate marijuana use for persons over the age of 21, and establishes driving-under-the-influence legal thresholds for marijuana (THC levels), as is done for adult use of alcohol.

The LCB must adopt rules by December 1, 2013, that establish procedures and criteria necessary to perform the following:

- license marijuana producers, marijuana processors and marijuana retailers, including prescribing forms and establishing application, reinstatement, and renewal fees;
- determine, in consultation with the Office of Financial Management (OFM), the maximum number of retail outlets that may be licensed in each county;

- determine the maximum quantity of marijuana a marijuana producer may have on the premises of a licensed location or retail outlet at any time without violating state law;

- determine the nature, form, and capacity of all containers to be used by licensees to contain marijuana and marijuana infused projects, and their labeling requirements;

- establish reasonable time, place and manner restrictions and requirements regarding advertising of marijuana; and

- specify procedures for the identifying, seizing, confiscating, destroying, and donating to law enforcement for training purposes all marijuana, processed, packaged, labeled or offered for sale in Washington State that do not conform in all respects to the standards prescribed by the Initiative.

Prior to issuing or renewing a license to an applicant, the LCB is required to provide notice of the application to the chief executive officer of the incorporated city or town, or to the county legislative authority, if the application is for a license within that jurisdiction. The official or employee designated by the city, town, or county has the right to file with the LCB a written objection against the applicant and may request an administrative hearing.

No person under the age of 21 may be licensed as a producer, processor, or retailer of marijuana nor can a person under the age of 21 be employed by any licensed producer, processor or retailer of marijuana.

Under, Initiative 502, marijuana will be sold to consumers exclusively by privately owned and operated, licensed retail outlets who may sell only marijuana, marijuana-infused products, and related products that are for using and storing marijuana. Retailers may only sell marijuana produced by LCB licensed producers and processed by LCB licensed processors. Processors must purchase marijuana from licensed Washington producers, and retailers must purchase marijuana from Washington licensed producers and processors.

Current DUI laws remain unchanged. However, Initiative 502 establishes a per se driving under-the-influence threshold for marijuana of 5 nanograms of active THC metabolite per milliliter of blood.

Initiative 502 levies a new marijuana excise tax equal to 25 percent of the selling price on each producer, processor and retailer. The marijuana excise tax will be administered by the LCB. The initiative provides for annual distributions of \$500,000 for the Washington State Health Youth survey; \$200,000 for cost-benefit evaluations by the Washington State Institute for Public Policy; \$20,000 for web-based public educational materials about the health and safety risks posed by marijuana use; and \$5 million for LCB administration. The remaining excise taxes are to be distributed as follows:

- 50 percent to the state's Basic Health Plan;



## I 1185

- 18.7 percent to the state general fund;
- 15 percent to the Department of Social and Health Services Division of Behavioral Health and Recovery for youth substance abuse prevention programs selected in consultation with the University of Washington (UW) Social Development Research Group and Alcohol and Drug Abuse Institute;
- 10 percent to the Department of Health for marijuana education and public health programs, to include a Marijuana Quitline and a local health department grants program that supports coordinated intervention strategies for youth;
- 5 percent to community health centers;
- 1 percent to the UW and Washington State University for research on the short and long term effects of marijuana use, to include intoxication and impairment; and
- 0.3 percent to Building Bridges programs to prevent and reverse student drop-out.

General state and local sales and use taxes, and business and occupation taxes apply to the sale of marijuana and marijuana-infused products.

Initiative 502 does not change Washington's Medical Use of Marijuana Act.

For information on assumptions, see the OFM statement of fiscal impacts (given only in total dollars) at the following website: <http://www.ofm.wa.gov/initiatives/default.asp>.

**Effective:** December 6, 2012

## I 1185

C 1 L 13

Taxes and fees imposed by state government.

By People of the State of Washington.

**Background:** Initiative 601, enacted by the voters in 1993, required a two-thirds vote of both houses of the Legislature for any action that raised state taxes. This supermajority requirement was temporarily suspended by the Legislature from March 2002 through June 2003 and again from April 2005 through June 2006. Initiative 960, enacted in 2007, restated this supermajority vote requirement for tax increases not approved by referendum to the voters. Initiative 960 also required prior legislative approval of any new or increased state fees. In February 2010, the Legislature suspended the two-thirds vote requirement for state tax increases until July 1, 2011, but did not modify the provisions of Initiative 960 regarding prior legislative approval of fee increases. In November 2010, voters approved Initiative 1053, which restated the statutory requirement that any action or combination of actions by the Legislature that raised state taxes must be approved by a two-thirds vote in both houses of the Legislature or approved in a referendum to the people. Initiative 1053 also restated that new or increased state fees must be ap-

proved by a majority vote in both houses of the Legislature.

Under the state Constitution, the Legislature cannot repeal a voter-approved initiative within two years of its approval, and can amend such an initiative within that two-year period only with a two-thirds vote of the Legislature (unless the legislative action is submitted to the voters as a referendum).

In July 2011, League of Education Voters v. State was filed in King County Superior Court, challenging the constitutionality of Initiative 1053. On February 28, 2013, the state Supreme Court ruled that the two-thirds vote requirement was unconstitutional because it was inconsistent with the majority vote provisions in the state Constitution. The court concluded that a constitutional amendment, rather than just a statutory change, is necessary to change the majority vote requirements for actions which raise taxes.

**Summary:** Initiative 1185 restates the statutory requirement that any action or combination of actions by the Legislature that raises state taxes must be approved by a two-thirds vote in both houses of the Legislature or approved in a referendum to the people. The initiative also restates the requirement that new or increased state fees must be approved by a majority vote in both houses of the Legislature.

The state Supreme Court's decision in League of Education Voters v. State indicates that the two-thirds vote requirement is invalid as inconsistent with the state Constitution.

**Fiscal Impact.** As required under RCW 29A.72.025, the Office of Financial Management (OFM) must estimate any impact that Initiative 1185 could have on state and local revenues, costs, or expenditures.

For information on assumptions, see the OFM statement of fiscal impacts (given in total dollars only) at the following website: <http://www.ofm.wa.gov/initiatives/default.asp>.

**Effective:** December 6, 2012

Modified by ESSB 6180

July 26, 2009

September 1, 2009 (Sec. 16)

## I 1240

C 2 L 13

Charter Schools.

By People of the State of Washington.

**Background:** Common or public schools in Washington State are publically financed, governed by elected school boards, and subject to federal and state laws and rules. The state laws define the roles and responsibilities of school districts, and establish requirements for the management, operation, and educational program of schools. School

districts' authority to establish salaries for instructional staff is limited by a state required minimum and average salary level.

Washington law does not currently authorize charter schools. In states where charter schools are authorized the charter schools are considered public schools that are publically financed, operate under a written charter contract with the charter authorizer, independent of elected school boards, and not subject to most state laws and school district policies. The charter contract establishes the requirements for the management, operation, and educational program of the school.

In 1991 Minnesota became the first state to authorize public charter schools. According to the National Conference of State Legislatures, 41 states and the District of Columbia have adopted charter school enabling legislation and 5,275 public charter schools currently operate nationwide.

**Summary:** Initiative 1240 establishes the authority and process for creating and operating a limited number of publically funded charter schools that operate independently of an elected school district board of directors and most state laws and school district policies.

*Charter Schools.* A charter school is a public common school under the state Constitution and is maintained at public expense. Charter schools may offer, tuition-free, any program or course of study that a non-charter public school may offer, including one or more K-12 grades. A charter school is operated and managed by a charter school board according to the terms of a renewable five-year contract with the charter school authorizer. A charter school may be created by converting an existing non-charter public school in its entirety into a charter school (called a conversion charter school) or by creating a new charter school. School districts must provide enrollment options information to parents and the public about charter schools located within the district.

*Limited Number of Charter Schools.* A maximum of 40 charter schools may be established over a five year period, with no more than eight established in a single year. If fewer than eight schools are established in a year, then additional schools up to the difference between the number established and eight may be established in subsequent years.

*Charter School Applicant.* A charter school applicant must be a nonprofit corporation (a corporation whose income is not distributable to its members, directors, or officers) that also has or has applied for federal tax exempt status. An applicant may not be a sectarian or religious organization.

*Charter School Authorizers.* Either the Washington Charter School Commission (Commission) or an approved school district may authorize charter schools.

The Commission may authorize charter schools anywhere in Washington State. Established as a state agency, it consists of nine members who serve four-year terms,

with no more than five of the same political party. Three members must be appointed by the Governor, three by the Senate, and three by the House of Representatives. The appointing authorities must assure the diversity of the Commission members, including representation from various geographic areas of the state, and collectively possess relevant experience and expertise and have a commitment to charter schooling. At least one member must be a parent of a public school student. The members serve without compensation but may be reimbursed for travel expenses. The Office of the Governor must provide staff support for the Commission until the Commission has resources for separate staff.

If approved by the State Board of Education (SBE), a school district board of directors may authorize charter schools within the school district. The SBE must establish a process and timeline for approving school district authorizers, which includes specified information that must be submitted by the district. The authorization lasts for six years and may be renewed.

The SBE must establish an authorizer oversight fee within set parameters to be used by an authorizer to fulfill its duties; which includes approving and monitoring its authorized charter schools and may include taking corrective actions, imposing sanctions, and revoking, renewing or non-renewing a charter.

The SBE will oversee the performance of all authorizers, both school districts and the Commission. The SBE must establish timelines and a process for taking actions in response to performance deficiencies by an authorizer or its charter schools. The authorizer must receive written notification of identified problems and be provided a reasonable opportunity to respond and remedy the problems prior to a revocation of the authorizer's chartering authority. If an authorizer's authority is revoked then the SBE must transfer each charter contract to another authorizer with the mutual agreement of the charter school and the proposed new authorizer.

*Charter Process.* The SBE must establish a timeline for charter school application submissions, approvals and denials. An authorizer must solicit, evaluate, and approve or deny charter applications that address specified information. The Initiative details the criteria for approving an application. All authorizers must give preference to charter school applications that are designed to enroll and serve at-risk student populations; however, no charter school is limited to serving only a substantial portion of at-risk students.

Once the application is approved then, in accordance with a timeline and process provided in the Initiative, the authorizer and the charter school board must execute a five year charter contract. The contract must contain specified components, including academic and operational performance expectations and measures for the charter school. The authorizer must monitor the charter school's performance and legal compliance with the charter contract.

The Initiative provides guidelines for charter contract renewal, nonrenewal and revocation guidelines. A charter contract may be non-renewed or revoked if the authorizer determines that the charter school commits a material and substantial violation of the charter contract or laws applicable to the charter school; fails to meet or make sufficient progress toward the performance expectations in the charter contract; or fails to meet generally accepted standards of fiscal management. A charter contract may also not be renewed if at the time of the renewal application the charter school's performance falls in the bottom quartile of schools on the SBE's accountability index, unless the charter school demonstrates exceptional circumstances that the authorizer finds justifiable. Before nonrenewal or revocation of a charter contract, the authorizer must develop a charter school termination protocol to ensure an orderly transition.

*Charter School Board.* The charter application provides for the formation of a charter school board to manage and operate one or more charter schools. A charter school board may not levy taxes or issue tax-backed bonds; and may not acquire property by eminent domain. In accordance with the charter contract, the board may:

- Hire, manage, and discharge charter school employees;
- Establish additional graduation requirements and issue diplomas;
- Receive and disburse funds;
- Enter into contracts for real property, equipment, goods, supplies, and services. Contracts for management and operation of a charter school may only be with non-profit organizations;
- Rent, lease, or own real property;
- Solicit and accept gifts, but not from sectarian or religious organizations; and
- Issue secured and unsecured debt. The debt is not an obligation of the state, the charter school authorizer, the school district in which the charter school is located, or any other political subdivision or agency of the state.

*State and Federal Law.* A charter school is exempt from all state laws, rules and school district policies applicable to schools, except as provided in the Initiative and in the approved charter contract. No charter school may engage in sectarian practices. All charter schools must:

- Comply with state and federal health, safety, parents' rights, civil rights, and non-discrimination laws applicable to school districts; employee record checks requirements; the annual performance report; the Open Public Meetings Act; the Public Records Act; and future legislation enacted governing charter schools;
- Provide basic education in the essential academic learning requirements, participate in the statewide student assessment system, and be subject to the SBE's performance improvement goals;

- Employ certificated instructional staff, except in exceptional cases (the same as public non-charter and private schools);

- Adhere to generally accepted accounting principles and be subject to financial examinations and audits as determined by the state auditor; and

- Be subject to the supervision of the Superintendent of Public Instruction and the SBE, including accountability measures, except as otherwise provided in the Initiative.

*Student Admissions.* A charter school is open to any student in the state, tuition-free. However, a charter school may organize around a special emphasis or theme, including focusing on services for particular groups of students. If student applications exceed the capacity of a charter school, then students must be selected based on a lottery. Although, conversion charter schools must enroll all students who wish to remain enrolled after the conversion and provide the siblings of current students an enrollment preference. If a student transfers from a charter school to a non-charter school, the non-charter school must accept the student's credits in the same manner as non-charter school credits.

*Funding.* State funding for charter schools is allocated in the same manner as for public non-charter schools, including basic education and non-basic education funding. Salaries for certificated staff are allocated based on the statewide average of education level and experience in public non-charter schools; however, a charter school is not required to pay a particular salary to its staff. Allocations for pupil transportation are based on a per-pupil calculation of the previous year's allocations to the school district in which the charter school is located. A charter school is eligible for state school construction assistance and may apply for state grants.

Charter schools may not levy taxes or issue tax-backed bonds. Locally raised funds through a school district tax levy approved before the start-up date of a charter school are only available to new charter schools authorized by a school district and to conversion schools and not to a charter school authorized by the Commission. For levies submitted to voters after the start-up date of any new or conversion charter school the charter school must be included in the levy process and levy fund distribution in the same manner as other public schools in the school district.

*Employees.* Charter school employees are hired, managed, and discharged in accordance with the Initiative provisions and the charter school contract. The employees are included in the established state employee insurance and health care systems and are included in the state retirement systems if it does not jeopardize the status of the systems as governmental plans. Classified and certificated charter school employee bargaining units must be separate from other school district bargaining units.

*Facilities.* Charter schools can purchase or lease, at or below fair market value, facilities or property of the school

district from which it draws its students. A charter school may contract with a school district, the governing body of a public college or university, or any other public or private entity for the use of a facility as a school building. Public libraries, community service organizations, museums, performing arts venues, theaters, and public or private colleges and universities may provide space within their facilities for charter schools to use. A conversion school may continue to use its existing facility without paying rent.

*Annual Reports.* Each charter school authorizer must submit an annual report to the SBE that includes specified components, including the academic and financial performance of each charter school overseen by the authorizer. The SBE, in collaboration with the Commission, must submit to the public, Governor, and Legislature, an annual report based on the authorizer reports. The SBE report must contain specified information, including a comparison of the student performance of charter schools with non-charter schools. After five years, the SBE, in collaboration with the Commission, must recommend whether or not the Legislature should authorize additional public charter schools.

*Fiscal Impact.* As required under RCW 29A.72.025, the Office of Financial Management (OFM) must estimate any impact that Initiative 1240 could have on state and local revenues, costs, or expenditures.

For information on assumptions, see the OFM statement of fiscal impacts (given in total dollars only) at the following website: <http://www.ofm.wa.gov/initiatives/default.asp>.

**Effective:** December 6, 2012

## SHB 1001

C 219 L 13

Concerning beer and wine theater licenses.

By House Committee on Government Accountability & Oversight (originally sponsored by Representatives Moeller, Pedersen, Hunt, Clibborn, Green, Van De Wege, Fitzgibbon, Lytton, Appleton, Maxwell, Tharinger, Ormsby, Riccelli, Pollet and Jinkins).

House Committee on Government Accountability & Oversight

Senate Committee on Commerce & Labor

**Background:** Washington liquor statutes authorize various types of licenses, including licenses for restaurants and taverns. License fees for restaurants range from \$221 for only beer or only wine to \$2,000 for spirits, beer, and wine, where less than 50 percent of the premises is a dedicated dining room. Food requirements are attached to these licenses. License fees for taverns are \$200 for beer, \$200 for wine, or \$400 for both. There are no food requirements attached to tavern licenses.

There is no specific license pertaining to liquor sales by commercial theatres although there is one for nonprofit arts organizations. Nonprofit arts organizations may obtain a liquor license to sell liquor to patrons on the premises at sponsored events which are approved by the Liquor Control Board (LCB). The fee for such a license is \$250 per year. A nonprofit arts organization is one which provides artistic or cultural exhibitions, or performances or art education programs for attendance by the general public. It must meet legal requirements for a not-for-profit corporation and must satisfy specific conditions set by the LCB.

In 2010 the LCB adopted rules creating legal requirements for the issuance of beer and wine restaurant licenses to cinemas with dinner theater venues. These rules include provisions pertaining to:

- the types of food service that must be provided;
- lighting standards;
- areas within the theater where alcohol sales and service may be provided;
- restrictions on areas where alcohol may be consumed; and
- restrictions on areas within a theater in which minor employees and minor patrons may be present.

**Summary:** A beer and wine theater license is created to allow a theater to sell beer, including strong beer, or wine, or both, at retail for consumption on theater premises. The annual fee for such license is \$400. No food requirements are specified.

"Theater" is defined as a place of business where motion pictures or other primarily nonparticipatory entertainment are shown and includes only those theaters with no more than four screens.

If theater premises are to be frequented by minors, an alcohol control plan must be submitted to the LCB at the time of application. The alcohol control plan must be approved by the LCB and prominently posted on the premises prior to minors being allowed entry.

"Alcohol control plan" is defined as a written, dated, and signed plan submitted to the LCB by an applicant or licensee for the entire theater premises, or a room or area therein. The alcohol control plan must include: (1) a statement explaining where and when minors and alcohol are permitted; and (2) the control measures to be used to prevent minors from obtaining alcohol or being exposed to environments where drinking alcohol predominates.

All servers of beer and wine are required to attend a mandatory alcohol server training program.

Violations involving minors or the failure to follow an alcohol control plan are doubled for theaters.

Subject to specified conditions, theater licensees that are federally designated nonprofits exempt from taxation under 26 U.S.C. Sec. 501(c)(3) may enter into arrangements with a liquor industry member for purposes of brand advertising at the theater. Such an arrangement is an exception to the general statutory prohibition against a liquor

## HB 1003

industry member advancing money or other valuable consideration to a retailer. Such arrangements are subject to specified auditing procedures to be conducted by the LCB.

The LCB is required to adopt rules regarding alcohol control plans and necessary control measures.

### Votes on Final Passage:

House	90	4	
Senate	27	21	(Senate amended)
House	87	7	(House concurred)

**Effective:** July 28, 2013

## HB 1003

C 86 L 13

Concerning disciplinary actions against the health professions license of the subject of a department of social and health services' finding.

By Representatives Moeller, Cody, Morrell, Pedersen, Hunt, Clibborn, Green, Van De Wege, Fitzgibbon, Lytton, Appleton and Jinkins.

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

**Background:** Department of Social and Health Services Investigations. The Department of Social and Health Services (DSHS) must initiate investigations upon the report of abuse, abandonment, neglect, exploitation, and financial exploitation of a vulnerable adult. If the initial report to the DSHS or its investigation shows that the conduct may have been criminal, the DSHS must immediately report the information to law enforcement. In addition, when a report or investigation involves a licensed health care provider, the DSHS must notify the relevant disciplining authority.

Upon receiving a report of possible abuse or neglect of a child, the DSHS must investigate and submit its findings to Child Protective Services. If a report is accepted for investigation by the DSHS, the investigation must occur within a specific timeframe, but may not continue for more than 90 days unless a law enforcement agency or prosecutor has allowed for a longer investigation.

An individual with a finding of fact, final order, or conclusion of law finding him or her guilty of abuse, neglect, exploitation, or abandonment of a minor or a vulnerable adult are prohibited from being employed to care for a vulnerable adult or from having unsupervised access to a vulnerable adult.

Investigations of Health Care Providers. The Department of Health and the 15 health professions boards and commissions (disciplining authorities) have regulatory authority over their respective health professions, including issuing licenses, administering investigations, and conducting disciplinary hearings. A disciplining authority may take immediate action against a credentialed health care provider by summarily suspending the person's cre-

dential. In cases in which a credentialed health care provider is prohibited from practicing in another state, the disciplining authority in Washington must issue a summary suspension until the disciplinary proceedings in Washington have been completed.

**Summary:** Any credentialed health care provider or applicant for a health professions credential who is prohibited from being employed to care for vulnerable adults based upon a finding of neglect or abuse of a minor or abuse, abandonment, neglect, or financial exploitation of a vulnerable adult must have his or her health professions credential summarily suspended. The health care provider is prohibited from practicing his or her profession until the Department of Health or the appropriate health professions board or commission has completed its disciplinary proceedings.

### Votes on Final Passage:

House	95	0
Senate	48	0

**Effective:** January 1, 2014

## HB 1006

C 88 L 13

Removing the requirement that earnings from the Washington horse racing commission operating account be credited to the Washington horse racing commission class C purse fund account.

By Representatives Schmick and Cody; by request of Horse Racing Commission.

House Committee on Appropriations Subcommittee on General Government  
Senate Committee on Ways & Means

**Background:** The Washington Horse Racing Commission (Commission) is responsible for licensing, regulating, and supervising horse racing in the state.

The Commission's Operating Account (Operating Account) consists of daily gross receipts collected from pari-mutuel machines, pari-mutuel tax, source market fees, individual license fees, advance deposit wagering firms annual license fees, racetrack license fees, and miscellaneous gifts, grants, or endowments. It is primarily for the Commission's operations. The Class C Purse Fund Account consists of one-tenth of 1 percent of daily gross receipts of in-state pari-mutuel machines and is used for purse awards for qualifying nonprofit race meets.

All funds received in the Operating Account are held in the State Treasurer's Trust Fund, to be invested by the State Treasurer. Until 2011 investment earnings from the Operating Account were distributed to the Class C Purse Fund for nonprofit race meets. Legislation enacted in 2011 required that investment earnings from the Operating Account be retained in the Operating Account rather than distributed to the Class C Purse Fund. This legislation did

not amend other language requiring that the State Treasurer credit investment earnings from the Operating Account to the Class C Purse Fund.

**Summary:** The State Treasurer is required to credit investment earnings from the Operating Account to that account rather than the Class C Purse Fund. The language makes consistent the manner in which investment earnings from the Operating Account are credited.

**Votes on Final Passage:**

House	96	0
Senate	48	0

**Effective:** July 28, 2013

**SHB 1009**

C 89 L 13

Concerning liquor self-checkout machines.

By House Committee on Government Accountability & Oversight (originally sponsored by Representatives Hunt, Appleton, McCoy and Johnson).

House Committee on Government Accountability & Oversight

Senate Committee on Commerce & Labor

**Background:** Mechanical self-checkout systems used in grocery stores and by other retailers enable customers to complete retail transactions through integrated, automated scanning devices and payment systems. Such systems allow an unassisted customer to use a machine to scan the price of the item being purchased and then complete the transaction by credit card or cash via an automated payment device. Such systems are generally monitored by store personnel so as to enable customer assistance in the event a customer experiences difficulties with the system or a problem arises during the course of the transaction. In addition, many retailers either have employees to monitor transactions involving alcoholic beverages and/or automated systems to signal the attempted purchase of an alcoholic beverage. In such instances, the employee has the opportunity to approach the customer to verify that the customer has the identification necessary to show that he or she is of the legal age to purchase alcohol.

Grocery stores and other retailers engaged in the package sale of alcoholic beverages must comply with licensing requirements established by statute and administrative rule and are subject to regulation by the Liquor Control Board. Such licensees must have systems in place to ensure that minors do not purchase alcoholic beverages and may be subject to regulatory sanctions in the event of an unlawful sale to a minor. In every retail sale of an alcoholic beverage, an employee of the retailer must check the identification of the purchaser to ensure that the purchaser is at least 21 years of age. However, Washington has no statutes or administrative rules specifically governing the use or design of automated, self-checkout systems.

**Summary:** Retailers may sell liquor through the use of self-checkout registers provided the following requirements are met:

- the self-checkout register must be programmed to halt any transaction involving the sale of liquor;
- an employee must then intervene in the transaction and verify that the purchaser has identification legally sufficient to prove that he/she is at least 21 years of age; and
- if the purchaser cannot provide proper identification satisfying the age requirement, then the purchase must be refused and the transaction voided.

**Votes on Final Passage:**

House	92	0
Senate	48	0

**Effective:** July 28, 2013

**SHB 1012**

C 90 L 13

Increasing the penal sum of a surety bond required to be maintained by an appraisal management company.

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

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

**Background:** An appraisal management company is a business entity that administers a panel of appraisers to complete real estate appraisal assignments on behalf of other entities. An appraisal management company's functions include recruiting appraisers, negotiating fees, and administering appraisal orders. It is unlawful to engage in business as an appraisal management company or to perform appraisal management services without obtaining a license from the Department of Licensing.

Appraisal management services include the following functions performed on behalf of a lender, financial institution, mortgage broker, loan originator, or any other person:

- administering an appraiser panel;
- recruiting, qualifying, verifying licensing or certification, and negotiating fees and service level expectations with persons who are part of an appraiser panel;
- receiving an order for an appraisal from one person or entity and delivering the order to an appraiser for completion;
- tracking and determining the status of appraisal orders;
- conducting quality control of a completed appraisal prior to delivery of the appraisal; and

## SHB 1021

- providing a completed appraisal to one or more persons or entities.

An application for licensure as an appraisal management company must include certain information about the entity and controlling persons. In addition, an application must include certifications that the entity: has a system for verification of appraisal panel members' licensure or certification; has a system to review the work of appraisers who perform real estate appraisal services; maintains a detailed record of each service request; and maintains a complete copy of appraisal reports.

An applicant for licensure as an appraisal management company must maintain a surety bond of at least \$25,000 for the use and benefit of the state and any person with a cause of action against the licensee. The bond must be conditioned that the licensee will abide by the applicable licensing laws and rules.

**Summary:** An applicant for licensure as an appraisal management company must file and maintain a surety bond of at least \$100,000.

The Director of the Department of Licensing may accept a cash bond or other security in lieu of a surety bond if he or she determines that surety bonds are not readily available to appraisal management companies. The security must be in the same amount as the required surety bond, and all obligations and remedies relating to surety bonds apply to the security.

### **Votes on Final Passage:**

House	98	0
Senate	48	0

**Effective:** July 28, 2013

## SHB 1021

C 91 L 13

Educating parents of the harmful effects of parental abduction.

By House Committee on Judiciary (originally sponsored by Representative Haler).

House Committee on Judiciary  
Senate Committee on Law & Justice

**Background:** In dissolution or legal separation cases involving minor children, the court must establish a parenting plan setting forth, among other things, each parent's residential time with the children. The court must make residential provisions that encourage each parent to maintain a loving, stable, and nurturing relationship with the child, considering a number of statutory factors. These factors include, among others: the relative strength, nature, and stability of the child's relationship with each parent; each parent's past and potential for future performance of parenting functions; the emotional needs and developmental level of the child; and the child's relationship with siblings and with other significant adults, as well as the

child's involvement with his or her physical surroundings, school, or other significant activities.

The Administrative Office of the Courts creates a family law handbook that explains the rights and obligations of spouses to each other and their children during marriage and after dissolution, including the effects of dissolution on children. The handbook must be provided to petitioners and respondents in dissolution cases. In addition, parties to dissolution proceedings involving minor children may be required to attend parenting seminars or classes. The seminars typically address the impacts of dissolution and parental conflict on children and how to develop a parenting plan that best meets the best interests of the children.

**Summary:** In a dissolution or legal separation proceeding involving the care or custody of a minor child, information regarding the harmful effects of parental abduction must be included in any packet of information provided to the parties, or in any parenting class or seminar provided to the parties. The information must contain material set out in statute that discusses the potential immediate and long-term adverse impacts of child abduction by a parent.

### **Votes on Final Passage:**

House	92	0
Senate	46	0

**Effective:** July 28, 2013

## SHB 1034

C 64 L 13

Regulating the licensing of escrow agents.

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

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

**Background:** Escrow Agent Registration Act. *Definition of Escrow*.

"Escrow" is defined to mean "any transaction where a person 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 until the occurrence of a specified event or the performance of a prescribed condition 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."

### *Licensing Required.*

Unless exempt, a person or entity acting as an escrow agent must be licensed by the Department of Financial Institutions (DFI). Licenses must be renewed annually. A licensee must:

- successfully pass an examination;
- undergo a fingerprint-based background check; and

- provide evidence of financial responsibility, including proof of a fidelity bond providing \$200,000 in coverage.

*Licensing Exemptions.*

There are a number of persons and entities that are specifically exempt from regulation under the Escrow Agent Registration Act (EARA).

Consumer Loan Act. The Consumer Loan Act (CLA) authorizes the DFI to regulate consumer loan companies doing business in Washington. Consumer loan companies include mortgage lenders and consumer finance companies. The CLA also applies to residential mortgage loan servicers.

*License Required for Residential Mortgage Loan Servicers.* No persons or entity may service residential mortgage loans without being licensed or exempt from licensing under the CLA. Requirements of licensing include: fees, background checks, and proof of financial responsibility. An applicant or a principal of an applicant for a CLA license may not have provided unlicensed residential mortgage loan modification services in the five years prior to the license application. The Director of the DFI (Director) may deny a license if a license related to lending, settlement services, or loan servicing was suspended by this state, another state, or the federal government within five years of the date of the application. Residential mortgage loan servicers are subject to a number of disclosure, reporting, fee, and payment provisions under the CLA.

*Licensing Exemptions.* The CLA provides exemptions from licensing for:

- any person making loans primarily for business, commercial, or agricultural purposes, or making loans to government or government agencies or instrumentalities, or to an "organization" as defined in the federal Truth in Lending Act;
- an entity licensed as a bank, savings bank, trust company, savings and loan association, building and loan association, or credit union under state or federal law;
- entities licensed as pawnbrokers;
- entities making loans for retail installment sales of goods and services;
- entities licensed as a check casher or seller;
- entities making loans under the Housing Trust Fund;
- entities making loans under programs of the federal government that provide funding or access to funding for single-family housing developments or grants to low-income individuals for the purchase or repair of single-family housing;
- nonprofit housing organizations making loans, or loans made under housing programs that are funded by federal or state programs if the primary purpose of the programs is to assist low-income borrowers with

purchasing or repairing housing or the development of housing for low-income state residents; and

- entities making loans that are not residential mortgage loans under a credit card plan.

The Director may waive the licensing requirements for persons making mortgage loans when the Director determines it is necessary to facilitate commerce and protect consumers.

Regulation under the Escrow Agent Registration Act and the Consumer Loan Act. In 2009 a law was enacted that regulates residential mortgage loan servicers under the CLA. In 2010 changes to the EARA were made, including changes to the exemptions from regulation under the EARA. As a result of the 2009 and 2010 legislation, a small group of people who service residential mortgage loans are regulated under the EARA and the CLA. In 2011 a law was enacted that made a number of changes to the scope of the CLA, including allowing the Director to waive the CLA licensing provisions in certain circumstances.

**Summary:** Escrow Agent Registration Act (EARA). The definition of "escrow" includes the collection and processing of payments and the performance of related services by a third party on seller-financed loans secured by a lien on real or personal property but excludes vessel transfers.

The fidelity bond amount required for licensure is increased from \$200,000 to \$1 million.

The Director is given greater authority to protect consumers by allowing the Director to take any action on behalf of the licensee to protect consumers.

Consumer Loan Act (CLA). Entities licensed under the EARA that process payments on seller-financed loans secured by liens on real or personal property are exempt from regulation under the CLA.

**Votes on Final Passage:**

House	92	0
Senate	46	0

**Effective:** July 28, 2013

**HB 1035**

C 65 L 13

Addressing title insurance rate filings.

By Representatives Kirby, Ryu and Nealey.

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

**Background:** Title insurance offers protection against the risk that the title to the specified property may be encumbered. Before issuing a policy, title insurers (insurers) conduct a title search to determine possible encumbrances. Insurers are licensed and regulated by the Office of the Insurance Commissioner (OIC). A title insurance agent (in-



insurance agent) is defined as a licensed business entity that is appointed by an authorized title insurance company to sell, solicit, or negotiate insurance on behalf of the title insurance company. Insurance agents are licensed and regulated by the OIC.

In 2008 an omnibus bill regarding real estate settlement services was enacted that made numerous changes related to title insurance.

**New Rate Standards.** Every insurer must file title insurance rates with the Insurance Commissioner (Commissioner). Every filing must include sufficient information to permit the Commissioner to determine whether the rates are excessive, inadequate, or unfairly discriminatory. A rate is not excessive, inadequate, or unfairly discriminatory if it is an actuarially sound estimate of the expected value of all future costs associated with an individual risk transfer. The Commissioner may disapprove a filing. The Commissioner must notify the insurer if the filing has been disapproved and inform the insurer where the filing fails to meet the statutory requirements. The Commissioner must hold a hearing within 30 days if:

- after the review period, the Commissioner has reason to believe that a insurer's rates do not meet the requirements of the law;
- any person having an interest in the rates makes a written complaint to the Commissioner setting forth specific and reasonable grounds for the complaint and requests a hearing; or
- any insurer requests a hearing after the Commissioner's disapproval of a filing.

In any hearing regarding title insurance rates, the burden is on the insurer to prove that the rates are not excessive, inadequate, or unfairly discriminatory. After a hearing, the Commissioner may issue an order that confirms, modifies, or rescinds any previous action.

**Office of the Insurance Commissioner Rules.** The 2008 legislation required the Commissioner to set a date by which insurers must file title insurance rates under the new rate standards. This date could not be prior to January 1, 2010. On July 20, 2010, the Commissioner adopted rules regarding rate filings and insurance agent report filings. On July 16, 2012, the Commissioner adopted rules to delay the rate and insurance agent report filings required in the 2010 rules. Under the 2012 rules, only title rates filed under the new rate standards may be used after January 1, 2014. Insurers must file rates by September 1, 2013, to ensure that the rates will be reviewed and can be effective by January 1, 2014.

Under the OIC rules, all rates filed must include all costs related to the title insurance transaction. An insurer must provide specific information in support of the expense component of the rates. An insurer's rate filing must include data that supports the expense component that applies to its insurance agents.

If a title agency contract splits premiums between the insurer and an insurance agent, the insurer must file premi-

um rate schedules using supporting data and information that are consistent with that contractual premium split. Each insurance agent must report premium, policy count, and expense data annually to each insurer for which it produces business in the state by April 1 of each year. Each report must include:

- specific information related to premium and policy count data;
- specific expense data related to issuing title insurance policies and commitments for all of the insurance agent's business, excluding all expenses related to escrow and other activities not directly related to title insurance;
- an explanation that describes how expenses are allocated between the operations of the insurance agent; and
- the estimated average cost to issue a title insurance commitment.

If an insurer does not receive the required report by April 1 of each year, the insurer must notify the Commissioner by April 15. This notice must include the name of the insurance agent that did not send the report on time.

**Public Disclosure of Rate Information.** The Insurance Code exempts certain information supporting rate filings from public inspection. Other provisions of the Insurance Code provide an exception of information for title insurance rate filings from the exemption from public inspection.

**Summary:** The Commissioner must designate one statistical reporting agent (reporting agent) to gather information on title insurance. All title insurance companies and insurance agents must annually file a report with the reporting agent of their policies, business income, expenses, and loss experience in this state. The report must be filed with the reporting agent in a manner and form prescribed by the Commissioner by rule.

Within 120 days of receiving information, the reporting agent must review the information for completeness, accuracy, and quality. All title insurance companies and insurance agents must cooperate with the reporting agent to verify the completeness, accuracy, and quality of the data that they submitted.

Within 30 days after completing its review of the information for quality and accuracy, the reporting agent must file information regarding the title insurance company and the insurance agent with the Commissioner.

The Commissioner may adopt rules regarding the reporting agent.

The costs and expenses of the reporting agent, including the cost of an examination by the Commissioner, must be borne by the title insurance companies and insurance agents in this state. The Commissioner may adopt rules regarding the costs and how those costs are apportioned.

Title insurance rate information filed with the Commissioner must be kept confidential and is not subject to

public disclosure, unless the Commissioner finds, after notice and hearing with the affected parties, it is in the public interest to disclose the information. The Commissioner may share the information with the National Association of Insurance Commissioners, regulatory and law enforcement officials of other states and nations, the federal government, and international authorities, provided that the recipient agrees to maintain the confidentiality and privileged status of the information.

**Votes on Final Passage:**

House	93	4
Senate	48	0

**Effective:** July 28, 2013

**HB 1036**  
C 117 L 13

Regulating service contracts.

By Representatives Kirby, Ryu and Schmick.

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

**Background:** Insurance and insurance transactions are governed by the Insurance Code (Code). Among other things, the Code requires: (1) that insurers meet certain financial requirements; and (2) that agents, solicitors, and brokers of insurance comply with specified licensing standards. Financial and criminal penalties may result from noncompliance.

Certain transactions that fall within the definition of insurance have been addressed by exemptions from the Code or the creation of a specific regulatory structure. Entities regulated under these regulatory structures may not be required to comply with the same capitalization and reserve requirements, reporting and solvency oversight, and claims handling practices as are required of an insurer selling a traditional insurance product. Persons regulated under these regulatory structures may not have to be licensed or have the same degree of training. Service contracts are one of the types of products that are regulated less stringently than insurance products under the Code.

A "service contract" is a contract for separate consideration for a specific duration to:

- repair, replace, or maintain property; or
- indemnify for the repair, replacement, or maintenance of property.

**Registration.** A service contract provider must register with the Insurance Commissioner (Commissioner). Application procedures, requirements, and fees are set forth. The Commissioner may suspend or revoke the registration of a service contract provider for failure to comply with the specific requirements.

Persons selling and marketing service contracts are not required to register with or be licensed by the Commissioner unless they are service contract providers.

**Financial Responsibility for Service Contract Providers.** A service contract provider may choose one of the following options to ensure that all obligations and liabilities are paid:

- insure its service contracts with a reimbursement insurance policy;
- maintain a reserve account that includes a portion of the gross consideration received for all service contracts and give the Commissioner a financial security deposit;
- use a risk retention group to insure the contracts of a service contract with a reimbursement insurer policy; or
- maintain or have the parent company maintain a net worth or stockholder's equity of \$100 million.

**Recordkeeping.** A service contract provider must keep accurate accounts and records including:

- the name and address of the person who purchased a protection product;
- a list of locations where the service contract is sold or marketed; and
- written claims files with the dates, amounts, and descriptions of claims related to service contracts.

**Investigations and Enforcement.** The Commissioner may investigate a service contract provider. Upon the Commissioner's request, a service contract provider must make its books, accounts, and records available to the Commissioner. The Commissioner may take actions to enforce the service contract laws and the Commissioner's rules and orders. A violation of the service contract laws is a violation of the Consumer Protection Act. A purchaser of a service contract may bring suit for a violation.

**Summary:** The definition of "service contract" is modified to include a contract of any duration entered into at or after the sale or lease of the subject property.

A service contract provider is not prohibited from covering residential water, sewer, utilities, or similar systems or from sharing contract revenue with local governments or other third parties for endorsements and marketing services.

**Votes on Final Passage:**

House	96	0
Senate	47	0

**Effective:** July 28, 2013

**HB 1045**  
C 264 L 13

Authorizing certain local authorities to establish maximum speed limits on certain nonarterial highways.

By Representatives Ryu, Angel, Moscoso, Clibborn, Upthegrove, Fitzgibbon, Liiias, Pedersen, Stanford, Farrell, Morrell, Pollet, Bergquist and Fey.

House Committee on Transportation  
Senate Committee on Transportation

**Background:** State law establishes speed limits on all roads in the state. These limits depend upon the type of road being limited—city streets, county roads, or state highways. On city streets, the limit is set at 25 miles per hour. On county roads, the limit is set at 50 miles per hour. Finally, on state highways, the limit is set at 60 miles per hour.

Cities or towns may either increase or decrease these limits; however, a city or town must undertake an engineering and traffic investigation before making such a change. Generally, this investigation will consider factors such as the speed of the 85th percentile of drivers on the road, road characteristics, parking practices, pedestrian activity, roadside development and environment, a history of crashes, and other factors.

An altered speed limit is effective when the appropriate signs are erected; however, any alteration on a state highway must be approved by the Secretary of the Department of Transportation before going into effect.

**Summary:** A city or town is not required to conduct an engineering and traffic investigation if the city or town reduces the speed limit on a nonarterial highway within a residence or business district to 20 miles per hour. This waiver applies, however, only if the city or town has developed procedures for establishing such lower speed limits. The requirement is also waived if the city or town seeks to cancel a lower speed limit that had been established through these procedures. In that case, the cancellation must occur within one year of the initial establishment of the 20-mile-per-hour limit. Finally, cities and towns must consult the manual on uniform traffic control devices when establishing speed limits pursuant to these procedures.

**Votes on Final Passage:**

House 86 10  
Senate 45 2

**Effective:** July 28, 2013

**HB 1056**  
C 66 L 13

Authorizing certain corporate officers to receive unemployment benefits.

By Representatives Angel, Manweller and Sells.

House Committee on Labor & Workforce Development  
Senate Committee on Commerce & Labor

**Background:** The unemployment compensation system is designed and intended to provide partial wage replacement for individuals who are unemployed through no fault of their own. Unemployment benefits are payable to individuals who are unemployed and who meet other eligibility requirements.

The general rule specifies that an individual is unemployed if he or she performs no paid services or performs less than full-time work. The weekly compensation from the part-time work must be less than 1-1/3 times the individual's weekly unemployment benefits plus \$5.

A special rule applies to corporate officers who own 10 percent or more of a corporation's outstanding stock or who are family members of such an officer. This rule specifies that a qualifying corporate officer is unemployed if the corporation is dissolved or if the officer permanently resigns or is permanently removed from office.

**Summary:** The special rule applicable to corporate officers is modified. A corporate officer is also unemployed if the officer's base year wages with the corporation are less than 25 percent of the officer's total base year wages.

**Votes on Final Passage:**

House 96 0  
Senate 36 12

**Effective:** December 29, 2013

**HB 1065**  
C 92 L 13

Addressing the applicability of statutes of limitation in arbitration proceedings.

By Representative Goodman.

House Committee on Judiciary  
Senate Committee on Law & Justice

**Background:** Arbitration is a form of nonjudicial, alternative dispute resolution. Contracting parties may explicitly agree to settle claims arising from a contract through arbitration, rather than judicial proceedings. In Washington, arbitration proceedings are governed by the Uniform Arbitration Act (UAA), which prescribes procedures for initiating and conducting arbitration and for enforcing and appealing arbitration awards and rulings.

In 2010 the Washington Supreme Court held that existing statutes of limitations did not apply to arbitration proceedings where the parties had not explicitly so agreed.

The court based its conclusion on the language of Washington's statutes of limitations and Washington's former arbitration guidelines, the Washington Arbitration Act (WAA), in effect at the time of the arbitration dispute in the case.

In so holding, the court noted: that the state's statutes of limitations mention only court actions, not arbitrations; that the WAA consistently referred to arbitration variously as "arbitration," "hearing," or "proceeding," and to lawsuits as "civil actions," "actions," or "suits;" and that the WAA did not make state statutes of limitations explicitly applicable to arbitrations. The WAA language the court found dispositive is the same as that found in the UAA.

**Summary:** The UAA is amended to specify that a claim sought to be arbitrated is subject to the same limitations for the commencement of actions as if the claim had been asserted in a court.

**Votes on Final Passage:**

House	98	0
Senate	48	0

**Effective:** July 28, 2013

**SHB 1068**

C 191 L 13

Concerning the television reception improvement district excise tax.

By House Committee on Finance (originally sponsored by Representatives Manweller and Warnick).

House Committee on Finance  
Senate Committee on Governmental Operations

**Background:** Legislation allowing for the creation of television reception improvement districts was enacted in 1971. State law authorizes television reception improvement districts (Districts) to be formed for the construction, maintenance, and operation of television and frequency modulation radio translator stations.

The business of a District is conducted by the board of a District. The board must ascertain and prepare a list on an annual basis of all persons believed to own television sets within the District and deliver a copy of the list to the county treasurer.

The county treasurer may collect an excise tax of no more than \$60 per year per television set. A person who owns more than one television set, but less than five television sets, may only be assessed for one television set. A motel, hotel, or any person owning more than five television sets must pay at a rate of one-fifth of the annual tax rate for each of the first five television sets and one-tenth of such rate for each additional television set. An owner of a television set within the District is exempt if: (1) the television set does not receive at least a class grade B contour signal retransmitted by the television translator station or other similar device operated by the district; or (2)

the television set receives a subscription to services of a community antenna system.

The county treasurer in which the District is located is the treasurer for the District.

Six Districts have been formed in four counties: Chelan, Douglas, Kittitas, and Okanogan.

**Summary:** A television owner is exempt from the excise tax if the owner subscribes to satellite television service.

Board members or employees of a district may assist the County Treasurer in sending out tax notices to reduce the cost for the district.

**Votes on Final Passage:**

House	93	5	
Senate	31	17	(Senate amended)
House	94	1	(House concurred)

**Effective:** July 28, 2013

**SHB 1071**

C 93 L 13

Regarding state and private partnerships for managing salmonid hatcheries.

By House Committee on Agriculture & Natural Resources (originally sponsored by Representatives Blake and Chandler).

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

**Background:** The Washington Department of Fish and Wildlife (WDFW) operates fish hatcheries throughout the state. Seven salmon hatcheries were proposed for closure in the Governor's 2009-2011 Operating Budget: Colville, Omak, Arlington, Mossyrock, McKernan, Bellingham, and Palmer Ponds hatcheries.

The WDFW may use agreements with private sector partners for the continued operation and management of state-owned salmon hatcheries that were closed as of 2009 or scheduled for closure during the 2009-2011 biennium. The WDFW must accept and review applications from potential partners to manage and operate selected salmon hatcheries.

The WDFW must apply criteria identifying the appropriateness of a potential partner. The criteria must attempt to ensure that the partner has a long-range business plan, which may include the sale of hatchery surplus salmon, including eggs and carcasses, to ensure the long-range future solvency of the partnership. Partners must be: (1) qualified under section 501(c)(3) of the Internal Revenue Code; (2) a for-profit private entity; or (3) a federally recognized tribe.

All partnership agreements must be consistent with existing state laws, agency rules, collective bargaining agreements, hatchery management policy involving species listed under the Federal Endangered Species Act, or, in the case of a tribal partner, any applicable tribal hatch-

ery management policy or recreational and commercial harvest policy. In addition, all partnership agreements must require that partners conducting hatchery operations maintain staff with comparable qualifications to those identified in the class specifications for the WDFW's fish hatchery personnel. Finally, all partnership agreements must contain a provision requiring the partner to hold the WDFW and the state harmless from any civil liability arising from the partner's participation in the agreement.

All partnership agreements must identify any maintenance or improvements to be made to the hatchery facility, as well as the source of funding for such maintenance or improvements. If the funding is derived from state funds or revenue sources previously received by the WDFW, the work must be performed either by employees in the classified service or in compliance with state contracting procedures.

**Summary:** The limitation on agreements between the Washington Department of Fish and Wildlife (WDFW) and private sector partners to resume or continue a salmon hatchery operation that makes the agreements applicable only to hatcheries that were closed in 2009 or slated for closure in the 2009-2011 biennium is changed. Partnership agreements are limited to hatcheries located within the Hood Canal basin. In addition, private sector hatchery partners operating chum salmon hatcheries may, under permit from the WDFW, harvest some of the hatchery fish for sale. Any sale proceeds must be reinvested into the hatchery. All hatchery partnerships going forward are given direction to prioritize the retention of classified employees and to operate consistently with federally recognized treaty rights.

The WDFW must submit a report to the Legislature on the hatchery partnership program.

**Votes on Final Passage:**

House	95	0
Senate	48	0

**Effective:** July 28, 2013

**SHB 1074**

C 16 L 13

Concerning requirements governing and associated with plat approvals.

By House Committee on Local Government (originally sponsored by Representatives Angel, Takko, Buys and Pike).

House Committee on Local Government  
Senate Committee on Governmental Operations

**Background:** Land Divisions and Associated Time Limitations. The process by which land divisions may occur is governed by state and local requirements. Local governments, the entities charged with receiving and determining

land division proposals, must adopt associated ordinances and procedures in conformity with state requirements.

Numerous statutorily defined terms are applicable in land use division actions. Examples include the following:

- "Subdivision" generally means the division or redivision of land into five or more lots, tracts, parcels, sites, or divisions for the purpose of sale, lease, or transfer of ownership.
- "Preliminary plat" is a neat and approximate drawing of a proposed subdivision showing the general layout of streets and alleys, lots, blocks, and other elements of a subdivision. The preliminary plat is the basis for the approval or disapproval of the general layout of a subdivision.
- "Short subdivision" generally means the division or redivision of land into four or fewer lots, tracts, parcels, sites, or divisions for the purpose of sale, lease, or transfer of ownership. The legislative authority of any city, town, or county that plans under the Growth Management Act may, with some limitations, increase the number of lots, tracts, or parcels to be regulated as short subdivisions to nine.
- "Short plat" is the map or representation of a short subdivision.
- "Final plat" is the final drawing of the subdivision and dedication prepared for a filing for record with the county auditor. A final plat must contain elements and requirements mandated by statute and applicable local government regulations.

Preliminary plats of a proposed subdivision and dedication must generally be approved, disapproved, or returned by the local government to the applicant for modification within 90 days from the date of filing. For final plats and short plats, the approval, disapproval, or returning action must be completed within 30 days.

Absent an extension by the local government, an applicant has seven years to submit a qualifying final plat to the legislative body of the applicable local government if the preliminary plat approval is on or before December 31, 2014, five years if the preliminary plat approval is on or after January 1, 2015, or nine years if the project is within city limits, not subject to requirements of the Shoreline Management Act (SMA), and the preliminary plat approval was on or before December 31, 2007.

If a subdivision proposed for final plat is approved by the applicable local government, the county, city, or town must file the final plat with the county auditor. Any lots in a final plat filed by the local government must be a valid land use, notwithstanding changes in zoning laws, for seven years from the date of filing if the date of filing is on or before December 31, 2014, five years from the date of filing if the date of filing is on or after January 1, 2015, or nine years if the project is within city limits, not subject to

the SMA, and date of filing was on or before December 31, 2007.

Absent public health or safety concerns, a subdivision must be governed by the terms of approval of the final plat and the requirements in effect at the time of approval for seven years after final plat approval if the date of final plat approval is on or before December 31, 2014, five years if the date of final plat approval is on or after January 1, 2015, or nine years if the project is within city limits, not subject to the SMA, and the date of final plat approval was on or before December 31, 2007.

**Recent Legislation: Temporary Two-Year Extensions.**

Legislation adopted in 2010 (Chapter 79, Laws of 2010, Substitute Senate Bill 6544) temporarily extended time limitations associated with final plats and subdivisions from five to seven years. Legislation adopted in 2012 (Chapter 92, Laws of 2012, Engrossed House Bill 2152) repealed the temporary extension adopted in 2010 and established five, seven, and nine-year time limits for qualifying final plat submissions, land-use requirements governing lots in final plats, and land-use requirements governing subdivisions. The 2012 legislation also conditioned all nine-year time limits upon the associated projects being within city limits and not subject to the SMA.

**Shoreline Management Act.** The SMA governs uses of state shorelines and involves a cooperative regulatory approach between local governments and the state. At the local level, the SMA regulations are developed in city and county shoreline master programs that regulate land use activities in shoreline areas of the state. At the state level, the Department of Ecology is charged with reviewing shoreline master programs and approving those that comply with statutory provisions and agency guidelines governing their adoption.

**Summary:** Time limitations and location requirements governing the submission and approval of final plats are modified. If a preliminary plat in an area that is not subject to the Shoreline Management Act (SMA) was approved by the local government on or before December 31, 2007, the final plat must be submitted to the legislative body of the applicable city, town, or county within 10 years, rather than nine, of the preliminary plat approval. A requirement that an associated project be within city limits is deleted.

Time limitations for provisions governing lots in final plats and subdivisions are modified. Any lots in a final plat filed for record are a valid land use, notwithstanding changes in zoning laws, for 10 years, rather than nine, from the date of filing if the project is not subject to the SMA, and date of filing was on or before December 31, 2007. A requirement that an associated project be within city limits is repealed.

General time limitations associated with requirements governing subdivisions are modified. Absent public health or safety concerns, subdivisions are governed by the terms of approval of the final plat, and the requirements in effect at the time of approval, for 10 years, rather

than nine, after final plat approval if the project is not subject to the SMA, and the date of final plat approval was on or before December 31, 2007. A requirement that an associated project be within city limits is repealed.

**Votes on Final Passage:**

House	98	0
Senate	47	0

**Effective:** July 28, 2013

**SHB 1075**

C 288 L 13

Concerning the number of Puget Sound Dungeness crab fishery licenses that one vessel may be designated to carry.

By House Committee on Agriculture & Natural Resources (originally sponsored by Representatives Lytton, Blake, Chandler, Haigh and Morris).

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

**Background:** Commercial fishing for Dungeness crab in the Puget Sound requires a Puget Sound Dungeness crab fishery license. The Department of Fish and Wildlife is permitted to issue up to 125 of these licenses.

Prior to 2001, a vessel was not permitted to be designated on more than one fishery license unless the licenses were for different fisheries. An exception was added to allow the same vessel to be designated on two specified licenses, provided that the licenses were owned by the same licensee. The permitted licenses specified are: Puget Sound Dungeness crab fishery license; shrimp pot Puget Sound fishery license; sea cucumber dive fishery license; and sea urchin dive fishery license. In 2005 the exception was amended to allow the same vessel to be designated on two Puget Sound Dungeness crab fishery licenses.

**Summary:** A vessel may be designated for up to three Puget Sound Dungeness crab fishery licenses as long as all licenses are owned by the same licensee. This is an increase from the previous designation of two Puget Sound Dungeness crab fishery licenses.

**Votes on Final Passage:**

House	93	4
Senate	45	0

**Effective:** July 28, 2013

SHB 1076

C 192 L 13

Expanding participation in innovation academy cooperatives.

By House Committee on Education (originally sponsored by Representatives Haigh, Johnson, Takko, Fagan, Lytton, Short and Dahlquist).

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

**Background:** Nonhigh Districts. In December 2012, there were 46 school districts that did not offer a high school program. These districts are known as "nonhigh" districts and students in these districts often attend high school in neighboring districts that have a high school program. The school district where the student attends high school receives state funding for the nonhigh students, and the nonhigh district pays the high school district additional costs funded by levies.

Any new high school program in a nonhigh district must be approved by the Office of the Superintendent of Public Instruction (OSPI). One of the requirements for establishing a new high school program is enrollment of at least 400 students in grades 9 through 12, with a lesser number permitted if there is substantial evidence that enrollment will reach 400 within three years and remain stable.

Innovation Academy Cooperatives. An Innovation Academy Cooperative (Academy) is created by two or more nonhigh districts that form an Academy for their resident students. Student enrollment in this Academy is optional. One of the participating districts reports the students enrolled in an Academy for purposes of state funding allocations, but the levy bases of all participating districts are adjusted to reflect each district's proportional share of enrollment.

In the fall of 2010, the OSPI approved the first and only Academy. This agreement is between the Valley, Orient, Loon Lake, Summit Valley, and Orondo school districts. It created Paideia High School and reported 21 students as of October 2012. Some students attend this program in person and others participate online.

An Academy is a high school program with one or more of the following characteristics:

- interdisciplinary curriculum and instruction organized into subject-focused Academies, with encouragement for an initial focus on science, technology, and math;
- a combination of service delivery models, including alternative learning experiences, online learning, work-based learning, experiential and field-based learning, and direct instruction offered at multiple and varying locations; and

- creative scheduling and use of existing school or community facilities to minimize costs and maximize access for students who are geographically dispersed.

Enrollment of a Nonresident Student. A student may enroll in a school district other than the particular district where he or she resides. A nonresident student may enroll if:

- a financial, educational, safety, or health condition affecting the student would likely be improved as a result of the transfer;
- attendance at the school in the nonresident district is more accessible to the parent's place of work or to the location of child care;
- there is a special hardship or detrimental condition; or
- the student resides in-state and is a child of a full-time certificated or classified school employee, and attends the school where the employee parent is assigned or another school in the same K-12 continuum.

**Summary:** Students from school districts that are not members of an Academy may enroll in a cooperative's reporting district, under the law on enrollment of nonresident students.

High school students from districts that are not members of an Academy may not enroll exclusively in alternative learning courses provided by multidistrict online providers. Members of an Academy may not accept applications from nonresident students attempting to enroll exclusively in alternative learning courses provided by multidistrict online providers.

**Votes on Final Passage:**

House	98	0	
Senate	48	0	(Senate amended)
House	95	0	(House concurred)

**Effective:** July 28, 2013

SHB 1093

C 166 L 13

Regarding state agency lobbying activities.

By House Committee on Government Operations & Elections (originally sponsored by Representatives Shea, Overstreet and Taylor).

House Committee on Government Operations & Elections  
Senate Committee on Governmental Operations

**Background:** Government to Government Lobbying. Washington campaign disclosure and contribution law defines "lobbying" as the attempt to influence the passage or defeat of any legislation by the Legislature, or to influence the adoption or rejection of any rule, standard, rate, or other legislative enactment of any state agency. Specifically exempted from this definition of lobbying is an association's or other organization's act of communicating with

the members of that association or organization. Agencies are authorized to expend public funds for lobbying activities, but such activity is limited to providing information or communicating on matters pertaining to official agency business, or advocating the official position or interests of the agency. This lobbying activity may be performed by an agency's leaders or employees, or through a contract for lobbying services.

Reporting to the Public Disclosure Commission.

When a state agency, county, city, town, municipal corporation, quasi-municipal corporation, or special purpose district expends public funds for lobbying, it is required to file quarterly statements with the Public Disclosure Commission (PDC). These statements must generally be filed quarterly and must include the agency name, the name and salary of all who lobbied for the agency, the nature of the lobbying, and the proportionate amount of time spent on lobbying. The quarterly statements also must include a listing of expenditures incurred for lobbying. In lieu of such reporting, the elected officials, officer, or employees who lobby on behalf of a local agency may register and report in the same manner as other lobbyists (for example, those who lobby for businesses, groups, associations, or other organizations).

For purposes of the PDC reporting requirement, "lobbying" does not include certain state agency activities, to the extent that they include:

- certain requests for appropriations made through the state budgeting, accounting, and reporting system;
- reports and recommendations made in response to legislative requests for an agency study, recommendation, or report on a particular subject;
- official reports submitted to the Legislature annually or biennially, as required by law;
- certain communications between or within state or local agencies;
- preparation or adoption of policy positions;
- telephone conversations or preparation of written correspondence;
- in-person lobbying by agency employees or officers, on behalf of the agency, for up to four days during any three-month period; and
- in-person lobbying by agency elected officials, on behalf of the agency or in connection with the official's powers, duties, or compensation.

Penalties for Violating Lobbying and Reporting Laws.

A court is authorized to impose civil remedies and sanctions for violation of the lobbying disclosure requirements and limitations stated above. These include civil penalties, generally of not more than \$10,000 for each violation, and a civil penalty of \$10 per day for each day that a person fails to file a properly completed statement or report. A court may also issue an order to prevent a person from violating these requirements. Finally, the PDC may refer

certain intentional violations of the statutes for criminal prosecution.

**Summary:** Personal liability, in the form of a civil penalty of \$100 per statement, is imposed on a state agency director who knowingly fails to file quarterly lobbying disclosure statements pertaining to the lobbying activities of the agency. This personal liability is in addition to any other civil remedy or sanction imposed on the agency.

Any state agency official, officer, or employee who is responsible for directing or expending, or who knowingly directs or expends, public funds in violation of agency lobbying restrictions is liable for a civil penalty. This civil penalty must be at least equivalent to the amount of public funds expended in the violation.

State agencies filing reports with the PDC must file all reports electronically.

**Votes on Final Passage:**

House	97	1	
Senate	40	8	(Senate amended)
House	95	0	(House concurred)

**Effective:** January 1, 2014

**HB 1108**

C 94 L 13

Modifying the definition of rape in the third degree and indecent liberties.

By Representatives Goodman, Jinkins, Wylie, Pedersen, Green, Roberts, Pettigrew, Maxwell, Orwall, Appleton, Ryu, Morrell and Bergquist.

House Committee on Public Safety  
Senate Committee on Law & Justice

**Background:** *Rape in the Third Degree.* A person commits the crime of Rape in the third degree if he or she is not married to the victim, and he or she engages in sexual intercourse with another person (the victim) without consent or when there is a threat of substantial unlawful harm to the property rights of the victim. Rape in the third degree is a seriousness level V, class C felony offense. It is also a three strikes offense under the Three Strikes and You are Out persistent offender statute.

*Indecent Liberties.* An offender commits the crime of Indecent Liberties if he or she causes a victim, who is not his or her spouse, to have sexual contact with the perpetrator or another person: (1) by forcible compulsion; (2) when the victim is incapable of consent by reason of being physically helpless or mentally incapacitated; (3) when the victim is developmentally disabled and the perpetrator, who is not married to the victim, has supervisory authority over the victim or was providing transportation (within the course of his or her employment) to the victim at the time of the offense; (4) when the perpetrator is a health care provider and the sexual contact occurs during a treatment session, consultation, interview, or examination; (5) when



the victim is a resident of a facility for mentally disordered or chemically dependent persons and the perpetrator, who is not married to the victim, has supervisory authority over the victim; or (6) when the victim is a frail elder or vulnerable adult and the perpetrator, who is not married to the victim, has a significant relationship to the victim or was providing transportation (within the course of his or her employment) to the victim at the time of the offense. Indecent Liberties with forcible compulsion is a seriousness level X, class A felony offense. It is also a two strikes sex offense under the Two Strikes and You are Out persistent offender statute. Indecent Liberties without forcible compulsion is a seriousness level VII, class B felony offense. It is also a three strikes offense.

Due to the statutory marital exemption in both statutes a perpetrator cannot be convicted of a Rape in the third degree or an Indecent Liberties offense if he or she is married to the victim.

**Summary:** The statutory exemption that prohibits a victim's spouse from being convicted of a Rape in the third degree or Indecent Liberties offense is removed from statute. The crimes of Rape in the third degree and Indecent Liberties can occur and can be prosecuted in cases where the perpetrator is married to the victim.

**Votes on Final Passage:**

House	96	1
Senate	48	0

**Effective:** July 28, 2013

**HB 1109**  
C 67 L 13

Requiring institutions of higher education that offer an early course registration period to provide early registration for eligible veterans and national guard members.

By Representatives Hansen, Haler, Magendanz, Shea, Klippert, Smith, Green, Ormsby, Morrell, Van De Wege, Ryu, Maxwell, Zeiger, Wilcox, Jinkins, Springer, Scott, Freeman, Bergquist, Hargrove and Parker.

House Committee on Higher Education  
Senate Committee on Higher Education

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

Veterans in Higher Education. During the 2011 Fall academic quarter, public baccalaureate institutions in Washington served approximately 3,500 veterans, and the community and technical colleges served nearly 18,000 veterans. Institutions of higher education provide a variety of benefits for veterans and their families pursuing

higher education. State law permits that within state-supported waiver authority, institutions of higher education may waive all or a portion of tuition and fees for:

- an eligible veteran or National Guard member;
- the child or spouse of an eligible veteran or National Guard member who was totally disabled in the line of duty, or who is listed as missing in action or a prisoner of war; or
- the surviving child or spouse of an eligible veteran or National Guard member killed in the line of duty; however, upon remarriage the surviving spouse no longer is eligible for a waiver.

In addition to tuition waivers, higher education institutions provide other benefits to veterans pursuing higher education. One example is the Vet Corps Navigator program funded by the federal program, AmeriCorps. The purpose of Vet Corps Navigators is to help veterans achieve their higher education goals. Vet Corps Navigators provide connections with federal, state, or local veterans benefits and financial aid programs, and help them adjust to college life.

**Summary:** Beginning in the academic year 2013-14, institutions of higher education that offer an early course registration period for any segment of the student population are required to have a process in place to offer students who are eligible veterans or National Guard members early registration as follows:

- New students who are eligible veterans or National Guard members and who have completed all of their admission processes must be offered an early course registration period.
- Continuing students and returning former students who are eligible veterans or National Guard members who have met current enrollment requirements must be offered early course registration among students with the same level of class standing or credit as determined by the attending institution and according to institutional policies.

To be eligible, a veteran or National Guard member must be a Washington domiciliary who was an active or reserve member of the United States military or naval forces, or a National Guard member called to active duty, who served in active federal service, in a war or conflict fought on foreign soil or in international waters, or in another location in support of those serving on foreign soil or in international waters, and who, if discharged from service, has received an honorable discharge.

The provisions expire on August 1, 2022.

**Votes on Final Passage:**

House	98	0
Senate	48	0

**Effective:** July 28, 2013

**HB 1112**

C 68 L 13

Concerning standards for the use of science to support public policy.

By Representatives Short, Upthegrove, Springer, Pollet, Taylor, Zeiger and Wilcox.

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

**Background:** The Washington Department of Fish and Wildlife (WDFW) is responsible for establishing policy and direction for fish and wildlife species and their habitats, as well as establishing basic rules and regulations governing the time, place, manner, and methods used to harvest or enjoy fish and wildlife.

The State Administrative Procedure Act establishes the rulemaking process for state agencies and also outlines the procedural requirements for appealing an agency action. The State Public Records Act establishes requirements for agency maintenance of public records, and for the provision of those records for public inspection. Public records invoked by an agency must be indexed and made available to the public.

**Summary:** Before taking significant agency action, the WDFW must identify peer-reviewed literature, scientific literature, and other sources reviewed and relied upon for significant agency action. The WDFW must also provide the index of records required under the State Public Records Act that are relied upon or invoked in support of the proposed significant agency action.

"Significant agency action" is defined as an act of the WDFW that: (1) results in substantive requirements for a non-state actor with penalties for noncompliance; (2) establishes, alters, or revokes any qualification or standard for the issuance, suspension, or revocation of a license or permit; (3) results in significant amendments to an existing policy or program; (4) results in the development of technical guidance, assessments, or documents used to implement a state rule or statute; or (5) results in the development of fish and wildlife recovery plans. "Significant agency action" does not include rulemaking by the WDFW associated with fishing and hunting rules.

**Votes on Final Passage:**

House	97	0
Senate	47	0

**Effective:** July 28, 2013

**HB 1113**

C 69 L 13

Concerning standards for the use of science to support public policy.

By Representatives Short, Upthegrove, Springer, Pollet, Taylor, Smith, Fagan, Dahlquist and Fey.

House Committee on Environment  
Senate Committee on Energy, Environment & Telecommunications

**Background:** The Department of Ecology (DOE) is divided into 10 environmental management programs, each covering a different subject area: air quality; environmental assessment; hazardous waste and toxics reduction; nuclear waste; shorelands and environmental assistance; spill prevention, preparedness, and response; toxics clean-up; waste to resources; water quality; and water resources.

Within the Shorelands and Environmental Assistance Program are programs targeted to coastal zone management, federal permitting, floods and floodplain management, ocean resources, the Office of Regulatory Assistance, the Padilla Bay National Estuarine Research Reserve, shoreline management, the State Environmental Policy Act, the Washington Conservation Corps, watersheds, and wetlands.

Within the Water Quality Program are programs targeted to aquatic plants and lakes, the administration of water quality grants and loans, ground and surface water quality, non-point pollution, permitting of point source pollution, Puget Sound water quality, stormwater, wastewater treatment, and water quality assessment and Total Maximum Daily Load measurement.

The state Administrative Procedure Act establishes the rule-making process for state agencies and also outlines the procedural requirements for appealing an agency action. The state Public Records Act establishes requirements for agency maintenance of public records, and for the provision of those records for public inspection. Public records invoked by an agency must be indexed and made available to the public.

**Summary:** Before taking a significant agency action within its Water Quality or Shorelands and Environmental Assistance programs, the Department of Ecology (DOE) must identify peer-reviewed science, scientific literature, and other sources relied upon for the significant agency action. On its website, the DOE must also provide the index, required by the Public Records Act, of public records invoked or relied upon in support of a proposed significant agency action.

The term "significant agency action" is defined as an act of the DOE that: (1) adopts, under delegated legislative authority, substantive requirements with penalties for noncompliance; (2) establishes, alters, or revokes any qualification or standard for the issuance, suspension, or revocation of a license or permit; (3) results in significant

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amendments to an existing policy or program; or (4) results in the development of technical guidance, assessments, or documents used to implement a state rule or statute.

### Votes on Final Passage:

House	96	0
Senate	48	0

**Effective:** July 28, 2013

## E2SHB 1114

C 289 L 13

Addressing criminal incompetency and civil commitment.

By House Committee on Appropriations (originally sponsored by Representatives Pedersen, Rodne, Morrell, Nealey, Green and Jenkins).

House Committee on Judiciary  
House Committee on Appropriations  
Senate Committee on Human Services & Corrections  
Senate Committee on Ways & Means

**Background:** Incompetency. A person is incompetent to stand trial in a criminal case if he or she lacks the capacity to understand the nature of the proceedings or is unable to assist in his or her own defense. A court may require a competency evaluation of a defendant whenever the issue of competency is raised, and a person who is incompetent may not be tried, convicted, or sentenced for a criminal offense as long as the incompetency continues.

If a person is found incompetent to stand trial, the court must stay the criminal proceedings and, depending on the charged offense, either order a period of treatment for restoration of competency or dismiss the charges without prejudice. If the defendant undergoes restoration but cannot be restored to competency within the designated time period, the criminal case must be dismissed without prejudice.

Evaluations and Petitions for Involuntary Commitment. If a person's competency is not restored and charges have been dismissed, the person will be considered for commitment in the civil system. The Involuntary Treatment Act (ITA) sets forth the procedures, rights, and requirements for an involuntary civil commitment. After the court dismisses felony charges, the person must be released or transferred to a hospital or secure mental health facility for up to 72 hours for purposes of an involuntary treatment evaluation. At the end of the 72-hour evaluation period a petition may be filed for up to 180 additional days of treatment.

Grounds for Involuntary Commitment Following a Felony Dismissal. A person who has had felony charges dismissed due to incompetency may be detained for a period of up to 180 days if the petitioner can prove by clear, cogent, and convincing evidence that the person has committed acts constituting a felony and, as a result of a mental

disorder, the person presents a substantial likelihood of repeating similar acts. If the grounds for commitment have been proven, but treatment less restrictive than detention will be in the best interest of the person or others, the court may order a less restrictive alternative placement for the term of commitment.

No order of commitment under the ITA may exceed 180 days, but commitment may be renewed upon successive petitions and hearings. The grounds on subsequent petitions match those for the initial petition for commitment, but additional factors are considered in the analysis of likelihood of repeating similar acts, including life history, progress in treatment, and the public safety. The person may be released prior to the end of the term of commitment if they no longer meet the commitment criteria.

Commitment of Persons Found Not Guilty by Reason of Insanity. A person may be committed as "criminally insane" if the person is found not guilty by reason of insanity (NGRI) and the fact finder determines that the person presents a substantial likelihood of committing criminal acts jeopardizing public safety or security unless kept under further control by the court, other persons, or institutions. Insanity in a criminal case means that the person was, at the time of the act underlying the charge, unable to perceive the nature and quality of the act or unable to tell right from wrong with respect to the particular act because of a mental disease or defect. The maximum term of commitment following an NGRI acquittal is equal to the maximum possible sentence for any offense charged against the person committed. A person committed as criminally insane may petition for conditional release or final release by making an application to the Secretary of the Department of Social and Health Services (DSHS), or by making a direct petition to the court.

Release of Involuntarily Committed Persons. Mental health facility superintendents must give advance written notice of changes in the commitment status of persons committed under the ITA following dismissal of a sex, violent, or felony harassment offense. The chief of police and sheriff in the person's jurisdiction of residence, and victims and witnesses who have requested notice, are entitled to at least 30 days notice prior to the person's release, authorized leave, or transfer to another facility.

Legislation in 2010 created a public safety review panel to independently review and assess proposals by the DSHS for conditional release, furlough, temporary leave, and similar changes in commitment status of persons found NGRI. The panel provides written determinations of the public safety risk presented by any release recommendation, and may offer alternative recommendations. The panel's recommendations are submitted to the court with the DSHS recommendations.

The panel must submit a report to the Legislature by December 1, 2014, regarding observed changes in statewide consistency of evaluations and decisions concerning changes in the commitment status of persons found NGRI. The panel's report will also address whether the panel

should be given the authority to make release decisions and monitor release conditions.

**Summary:** Evaluations for Involuntary Commitment. For criminal defendants who have had felony charges dismissed due to incompetency, evaluation for the purposes of filing a civil commitment petition under the ITA must occur at a state hospital. Court discretion to release a defendant who has had felony charges dismissed is eliminated.

Grounds and Procedures for Involuntary Commitment Following a Violent Felony Dismissal. On an initial petition for commitment of a person who has had a violent felony charge dismissed due to incompetency, in addition to the standard criteria for commitment, the court must make a finding as to whether the acts the person committed constitute a violent offense as defined in statute.

On subsequent petitions for continued commitment of a person who has had a violent felony charge dismissed, when the court has made an affirmative additional finding at the initial petition, the person will be committed for up to an additional 180 days upon presentation of prima facie evidence that the person continues to suffer from a mental disorder or developmental disability that results in a substantial likelihood that the person will commit acts similar to the criminal behavior. The committed person may challenge the renewed commitment with an admissible expert opinion indicating that the person's condition has changed such that his or her mental disorder or developmental disability no longer presents a substantial likelihood that he or she will commit acts similar to the charged criminal behavior.

Initial and additional terms of commitment may include transfer to a specialized intensive support and treatment program, which may be initiated prior to or after discharge from the state hospital.

Release of Involuntarily Committed People. The prosecuting attorney of the county in which the criminal charges against the committed person were dismissed is entitled to notice of impending release, change in commitment status, or escape of a person involuntarily committed after dismissal of a sex, violent, or felony harassment offense.

The jurisdiction of the independent public safety review panel is expanded to require the panel to provide advice regarding persons committed under the ITA where the court has made an additional finding that the person committed acts constituting a violent offense. In particular, the panel must review all decisions to change the person's commitment status, and decisions to seek or not to seek commitment. The panel's report to the Legislature will include recommendations as to whether further changes in the law are necessary to enhance public safety when incompetency prevents the operation of the criminal justice system.

When a person committed as criminally insane submits a direct petition for release to the court, the petition must be served upon the court, the prosecuting attorney, and the Secretary of the DSHS. Upon receipt of service, the Secretary must determine whether reasonable grounds exist for release and provide a recommendation to all parties and the court.

When filing a release petition for a person committed as criminally insane who will be transferred upon release to a correctional facility to serve a sentence for a class A felony, the petitioner must show that the person's mental disease or defect is manageable within a correctional facility, but need not prove that the person does not present a substantial danger to other persons or a substantial likelihood of committing criminal acts that jeopardize public safety or security if released.

**Votes on Final Passage:**

House	87	11	
Senate	47	1	(Senate amended)
House	89	6	(House concurred)

**Effective:** July 28, 2013

## SHB 1115

C 118 L 13

Concerning the Uniform Commercial code.

By House Committee on Judiciary (originally sponsored by Representatives Pedersen and Rodne; by request of Uniform Laws Commission).

House Committee on Judiciary  
Senate Committee on Law & Justice

**Background:** The Uniform Commercial Code (UCC), organized into 11 articles, is a uniform code drafted by the National Conference of Commissioners on Uniform State Laws (NCCUSL) for the purpose of providing a consistent and integrated framework of rules to deal with commercial transactions. All 50 states have adopted the UCC.

The UCC Article 4A. Article 4A of the UCC governs funds transfers and the rights and responsibilities of the parties to a funds transfer. Article 4A was drafted principally to govern funds transfers involving commercial entities. Article 4A does not apply to a funds transfer, any part of which is governed by the federal Electronic Fund Transfer Act (EFTA).

The EFTA provides protections to consumers engaging in electronic fund transfers. The EFTA was amended in 2010 to apply to "remittance transfers," which was broadly defined to include transactions that traditionally had not been governed by the EFTA. A "remittance transfer" is an electronic transfer of funds requested by a consumer in the United States to a recipient in a foreign country that is made by any person or financial institution that provides consumer remittance transfers in the normal course of business. The EFTA now governs a remittance

transfer, even if the remittance transfer is not an "electronic fund transfer" as defined in the EFTA. As a result, remittance transfers that were formerly covered by the provisions of Article 4A, such as consumer international wire transfers, will no longer be subject to Article 4A, and some aspects of these transfers also will not be governed by the EFTA because they are not electronic fund transfers as defined in that act.

The American Law Institute and the NCCUSL recently approved revisions to Article 4A to ensure that Article 4A will apply to a funds transfer that is a remittance transfer, so long as the transfer does not also meet the definition of electronic fund transfer under the EFTA.

The UCC Article 9. Article 9 of the UCC (codified as Article 9A in Washington) governs the creation and operation of security interests in various types of personal property and fixtures. Article 9 provides methods of creating and filing a security interest and the manner in which a security interest may be "perfected." Perfection of a security interest is the means by which a secured creditor obtains priority over other creditors who have a security interest in the same collateral. One common method of perfection is by the filing of a financing statement that indicates the debtor, the secured party, and the property subject to the security interest.

Article 9 was revised in 2011 to incorporate the 2010 amendments to the uniform code adopted by the NC-CUSL. The 2011 legislation covered a number of topics, including standards for identifying the name of a debtor who is an individual on a financing statement. The name of an individual debtor is sufficient if the financing statement provides the individual name of the debtor, the surname and first personal name of the debtor, or the name of the individual indicated on an unexpired Washington driver's license or identification card.

**Summary:** The UCC Article 4A. Article 4A applies to a funds transfer that is a remittance transfer under the EFTA unless the remittance transfer is an electronic fund transfer as defined in the EFTA. The EFTA controls in the case of an inconsistency between an applicable provision of Article 4A and the EFTA.

Various technical corrections are made to Article 4A to correct drafting errors and inconsistencies with the uniform code created when Article 4A was originally enacted in Washington. Provisions of Article 4A are renumbered to be consistent with the numbering system used in the uniform code.

The UCC Article 9. Article 9 is amended to prioritize the acceptable methods for indicating the name of a debtor who is an individual on a financing statement. A financing statement sufficiently provides the name of a debtor who is an individual if it provides the name indicated on the individual's unexpired Washington driver's license or identification card. If the individual does not have an unexpired driver's license or identification card, the financing statement is sufficient if it provides the individual name of the

debtor or the surname and first personal name of the debtor.

With respect to the effectiveness of a recorded mortgage filed as a fixture filing or a financing statement covering as-extracted collateral or timber to be cut, the record sufficiently provides the name of a debtor who is an individual if it provides the individual name of the debtor or the surname and first personal name of the debtor.

**Votes on Final Passage:**

House	92	0	
Senate	48	0	(Senate amended)
House	94	0	(House concurred)

**Effective:** July 1, 2013 (Sections 33-34)  
July 28, 2013

**SHB 1116**

C 119 L 13

Adopting the uniform collaborative law act.

By House Committee on Judiciary (originally sponsored by Representatives Pedersen, Hansen, Rodne and Nealey; by request of Uniform Laws Commission).

House Committee on Judiciary  
Senate Committee on Law & Justice

**Background:** Collaborative law is a voluntary, contractually based alternative dispute resolution process that allows parties to resolve all or part of a dispute outside of court. It is most commonly used in family law cases, but may be used to reach settlement in a variety of disputes. In collaborative law, the parties voluntarily participate and sign a collaborative participation agreement describing the scope of the matter to be resolved. One significant difference between collaborative law and other forms of alternative dispute resolution, such as mediation, is that parties in collaborative law must be represented by lawyers throughout the process.

There are no statewide court rules regulating collaborative law. Some local court rules require the parties in a family law action to notify the court if they enter into a collaborative law participation agreement.

The Uniform Collaborative Law Act of 2010 was drafted by the Uniform Law Commission. To date, five states and the District of Columbia have adopted the act: Nevada, Utah, Texas, Ohio, and Hawaii.

**Summary:** The Uniform Collaborative Law Act (UCLA) is adopted and applies to collaborative law participation agreements signed on or after the effective date of the act. The use of collaborative law only applies to matters that would be resolved in civil court and may not be used to resolve matters in criminal cases.

Collaborative Participation Agreement. A collaborative participation agreement (agreement) must, among other things, describe the nature and scope of the matter intended to be resolved, identify the collaborative lawyers

representing the parties, and contain a statement by each lawyer confirming the lawyer's representation of a party in the process. The agreement may contain additional provisions that are not inconsistent with the UCLA, including provisions on how the collaborative law process may be concluded.

Authority of Tribunal During Collaborative Law Process. Parties in a pending proceeding, such as a court action, arbitration, or administrative action, may enter an agreement to attempt to resolve a matter related to the proceeding. The notice to the tribunal of the agreement acts as an application for a stay of the proceeding. The stay is lifted when the parties file notice that the collaborative law process has concluded. The tribunal may require the parties to provide a status report on whether the collaborative law process is ongoing or concluded. Despite the stay, a tribunal may issue emergency orders to protect the health, safety, welfare, or interest of a party or a family or household member.

"Tribunal" includes a court, arbitrator, administrative agency, or other body acting in an adjudicative capacity. The term does not include a legislative body conducting a hearing or other similar process.

Concluding a Collaborative Law Process. A collaborative law process is concluded by either a resolution of all or part of the collaborative matter or by termination of the process.

A collaborative law process is terminated when: (1) a party notifies other parties that the process is ended; (2) a party begins a proceeding related to a collaborative matter without agreement of all parties or, if there is a pending proceeding, a party initiates an action in the tribunal that would require notice to be sent to the parties; or (3) a party discharges his or her collaborative lawyer or the lawyer withdraws. In the event of the latter occurrence, the process may continue if the unrepresented party engages a new collaborative lawyer and all parties agree to continue.

Responsibilities of Collaborative Lawyers. Before a party signs an agreement, the lawyer must: (1) assess with the party factors the lawyer reasonably believes relate to whether the process is appropriate for the matter; (2) provide information the lawyer reasonably believes is sufficient for the party to make an informed decision; and (3) advise the party that the process is voluntary, terminates if the party initiates proceedings in a tribunal, and requires disqualification of the lawyer once the process is concluded.

Before a party signs an agreement, and throughout the collaborative law process, the lawyer must make reasonable inquiry and assess whether the party has a history of a coercive or violent relationship with another party. If the lawyer believes the party he or she represents has a history of a coercive or violent relationship with another party, the lawyer may not begin or continue a collaborative law process unless the party requests the process and the lawyer

reasonably believes that the party's safety can be adequately protected during the process.

Disqualification of Collaborative Lawyers. A collaborative lawyer may not represent a party before a tribunal in a proceeding related to the collaborative matter, except to ask the tribunal to approve an agreement resulting from the collaborative law process or to seek or defend an emergency order. In the case of an emergency order, the collaborative lawyer may represent a party or family or household member only until the person is represented by a successor lawyer or reasonable measures are taken to protect the health, safety, welfare, or interest of the person.

This disqualification applies to other lawyers in the collaborative lawyer's law firm, except for firms representing governmental entities. In the case of a party that is a governmental entity, another lawyer in the firm may represent the party, but the disqualified lawyer must be isolated from any participation in the matter.

Confidentiality and Privileges of Collaborative Law Communications. Provisions for confidentiality and privilege are created for parties and nonparties in the collaborative law process. A collaborative law communication is confidential to the extent agreed to by the parties or required by other state law.

With certain exceptions, a collaborative law communication is privileged, is not subject to discovery, and is not admissible in evidence. Generally, a party may refuse to disclose and may prevent others from disclosing a collaborative law communication. However, information that is otherwise admissible or discoverable does not become inadmissible or protected from discovery solely because of its use in a collaborative law process.

Exemptions to privilege include communications that would be public under the Public Records Act or that pertain to certain criminal activity. In addition, the privilege does not apply when the communication is sought or offered: (1) in a claim of professional misconduct or malpractice arising from the process; (2) to prove or disprove abuse, neglect, abandonment, or exploitation of a child or adult, unless the protective services agency is a party to the process; or (3) to prove or disprove stalking or cyber stalking of a party or child.

There is also no privilege if the tribunal finds that the evidence is not otherwise available, the need for the evidence substantially outweighs the interest in protecting confidentiality, and the communication is sought in a criminal proceeding or a proceeding related to avoiding liability on, rescinding, or reforming a contract arising out of the collaborative law process.

Standards of Professional Responsibility. The UCLA does not affect the professional responsibility obligations and standards that apply to a lawyer or other licensed professional or the obligation of a person to report abuse or neglect, abandonment, or exploitation of a child or adult.

## HB 1124

### Votes on Final Passage:

House	97	0	
Senate	48	0	(Senate amended)
House	94	0	(House concurred)

**Effective:** July 28, 2013

## HB 1124

C 95 L 13

Concerning recommendations for streamlining reporting requirements for taxes and fees on spirits.

By Representatives Hurst and Condotta.

House Committee on Government Accountability & Oversight

House Committee on Finance

Senate Committee on Commerce & Labor

**Background:** The passage of Initiative 1183 (I-1183) in 2011 resulted in the reorganization of the liquor industry in this state, accompanied by significant changes in the regulatory duties, powers, and responsibilities of the Liquor Control Board (LCB). Among the many notable consequences of I-1183 are the following:

- cessation of state liquor store and liquor distribution operations by June 1, 2012;
- liquidation of state owned and operated facilities related to liquor sales and distribution;
- authorization for the operation of private sector spirits retailers and spirits distributors;
- creation of spirits retailer and spirits distributor licenses;
- revision of regulations regarding wine distribution;
- repeal of the LCB's authority to set prices for spirits, including spirits markup; and
- authorization for the state to set license fees based on sales.

Notwithstanding the changes brought about by I-1183, the LCB remains the key regulatory body responsible for licensing matters, fee collection, and general oversight of the liquor industry. In turn, the Department of Revenue (DOR) continues to be responsible for both the collection of liquor taxes and the regulatory oversight of the liquor taxation system.

Pursuant to statute, state agencies are subject to requirements for filing reports with the House of Representatives, the Senate, and the Governor. Such reports must be submitted in electronic format and made easily accessible to legislators, staff, and the public. In addition, upon the requisite submittal of the report, the reporting agency must send a letter by electronic means informing the appropriate legislative committees that the report has been filed.

**Summary:** The LCB and the DOR are required to make recommendations to the Legislature detailing the statutory

changes necessary to: (1) streamline the collection of liquor taxes, fees, and reports; and (2) require a single state agency to be responsible for the collection of such revenue and information. These recommendations are due by September 30, 2013, and must be in compliance with reporting requirements specified in statute.

### Votes on Final Passage:

House	98	0
Senate	48	0

**Effective:** July 28, 2013

## SHB 1130

C 150 L 13

Modifying who is authorized to redeem an impounded vehicle.

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

House Committee on Transportation

House Committee on Business & Financial Services

Senate Committee on Financial Institutions, Housing & Insurance

**Background:** Tow truck operators who impound vehicles from private or public property, or tow for law enforcement agencies, are regulated by the Department of Licensing (DOL). To be licensed, an applicant must meet financial responsibility standards, provide a list of all employee drivers of a tow truck, pass an inspection by Washington State Patrol (WSP), complete the appropriate forms, and pay the appropriate fees.

Impoundment, the taking and holding of a vehicle in legal custody without the consent of the owner, may only be performed by registered tow truck operators. If the vehicle is on public property, the impound is at the direction of a law enforcement officer; if the vehicle is on private property, the impound is at the direction of the property owner or his or her agent.

Once a vehicle is impounded, the impounding tow truck operator (operator) is required to notify the legal and registered owners of the vehicle. This notice must be given in writing within 24 hours of impoundment and must inform the owner of the identity of the person or agency authorizing the impound. The notification must also include the impounding tow firm's name, address, and telephone number.

An impounded vehicle may only be redeemed by:

- the legal owner;
- the registered owner;
- a person authorized in writing by the registered owner or the vehicle's insurer;
- a person who is determined and verified by the operator to have the permission of the registered owner of the vehicle; or

- a person who has purchased a vehicle from the registered owner who produces proof of ownership or written authorization and signs a receipt.

**Summary:** An impounded vehicle may also be redeemed by:

- a vendor working on behalf of the vehicle's insurer;
- a third-party insurer that has a duty to repair or replace the vehicle; or
- a vendor working on behalf of a third-party insurer that has a duty to repair or replace the vehicle.

In order to redeem a vehicle, a third-party insurer or a vendor working on behalf of a third-party insurer must obtain consent from the registered owner or the owner's agent to move the vehicle. The third-party insurer must document the consent in the insurer's claim file.

If a third-party insurer or a vendor working for a third-party insurer redeems a vehicle, the registered owner of that vehicle must be granted access to the vehicle and allowed to reclaim possession of the vehicle.

An "owner's agent" is the legal owner of the vehicle, a driver in possession of the vehicle with the registered owner's permission, or an adult member of the registered owner's family.

**Votes on Final Passage:**

House	97	0	
Senate	48	0	(Senate amended)
House			(House refused to concur)
Senate	46	0	(Senate amended)
House	95	2	(House concurred)

**Effective:** July 28, 2013

## E2SHB 1134

C 242 L 13

Authorizing state-tribal education compact schools.

By House Committee on Appropriations (originally sponsored by Representatives McCoy, Santos, Appleton, Lytton, Ryu, Stanford, Roberts, Jinkins, Haigh, Freeman and Hunt).

House Committee on Community Development, Housing & Tribal Affairs

House Committee on Appropriations

Senate Committee on Early Learning & K-12 Education

Senate Committee on Ways & Means

**Background:** Under the state Constitution, the Legislature must provide for a general and uniform system of public schools. The Superintendent of Public Instruction (SPI) has the duty to oversee all matters necessary to maintain a basic education program for common schools (from kindergarten through high school) at public expense. The basic education program generally refers to all the resources necessary to provide the opportunity to meet the state high school graduation requirements. Major compo-

nents of the basic education program include instructional programming, special education, and transportation services.

**Local School Districts.** The SPI distributes annual appropriations to local school districts to fund the basic education program. Each school district elects a board of directors to manage and operate its schools. School boards are governed by state law covering areas such as board composition and scope of authority, curriculum development, attendance policies, and employment practices.

**Levy Authority.** State law determines the maximum amounts school districts may collect through local maintenance and operation (M&O) levies. Most districts may raise 28 percent of the district's levy base. Some districts are grandfathered at higher percentages. A maintenance and operations levy may last up to four years.

**Levy Base.** The maximum levy a school district may collect is determined by the district's levy base. The levy base includes most state and federal revenues received by the district in the prior school year. For example, the calendar year 2013 M&O levy collections are based on school year 2012-2013's funding level. Additionally the Legislature included in the levy base certain amounts that the district did not receive through apportionment payments. These items include the amounts districts would have received under Initiative 728, Initiative 732, and enhanced allocations for additional staffing in K-4 classrooms.

**Tribal Schools.** There are currently seven tribal schools operating in the state that are not directly part of the public school system. Each of these schools was created by a tribal government body or entity and operates with grant-funding from the United States Department of Interior Indian Affairs. Each tribal government or entity operating these schools has entered into an interlocal agreement with a local school board to fund educational services for children in the school district. The interlocal agreements require compliance with certain school district policies and procedures including personnel, curriculum development, record inspection, and audits.

**Summary: State-Tribal Education Compacts.** The SPI is authorized to enter into a state-tribal education compact with the governing body of any tribe or the governing body of any school currently receiving funding from the Bureau of Indian Affairs. The SPI must convene a government-to-government meeting to initiate negotiations with any tribe or school that applies for an education compact.

A state-tribal education compact must address certain provisions, including compliance, notices of violation, dispute resolution, recordkeeping and auditing, delineation of respective responsibilities, term length, and termination.

Compact schools generally are exempt from state statutes and rules applicable to school districts and school boards, except as provided by law or by the terms of the



compact. Compact schools, however, must comply with the following state requirements:

- provide a curriculum and conduct a basic education program;
- employ certified instructional staff, except in certain exceptional cases;
- comply with employee record check requirements and mandatory termination and notifications;
- comply with nondiscrimination laws;
- comply with future legislation governing compact schools; and
- adhere to generally accepted accounting principles and be subject to audits by the State Auditor.

In addition, no compact school may engage in sectarian practices in its operations, education program, admissions, or employment practices. A tribal-state education compact may not limit or restrict enrollment or school choice options available in the public school system.

Compact schools are not prohibited from implementing a policy of Indian preference in employment. Compact schools may prioritize the enrollment of tribal members and siblings of enrolled students if enrollment demand exceeds the capacity of the school.

The SPI must apportion funding for a compact school according to the general statutory school funding formula. Allocations for certified instructional staff must be based on the average staff mix ratio of the school under the statewide salary allocation schedule. Allocations for classified staff and certified administrative staff must be based on the salary allocations of the school district in which the compact school is located. The funding allocation mechanism does not require compact schools to use the statewide salary allocation schedule. The funds allocated for a compact school must still be included in the tax levy base of a school district that formerly provided funding to the compact school through an interlocal agreement.

Compact schools must report enrollment in the same manner as is required of school districts. The compact must establish the school's projected first year enrollment for purposes of determining amounts payable for that year. The SPI must reconcile the amount paid in the first year with the actual student enrollment and make adjustments in allocation for the second year.

**Votes on Final Passage:**

House	85	12	(Senate amended)
Senate	45	3	(Senate amended)
House	82	12	(House concurred)

**Effective:** July 28, 2013

Establishing a water pollution control revolving loan administration charge.

By House Committee on Capital Budget (originally sponsored by Representatives Smith, Tharinger, Short, Hunt, Stanford, Warnick and Ryu; by request of Department of Ecology).

House Committee on Capital Budget  
Senate Committee on Ways & Means

**Background:** The Water Pollution Control Revolving Fund Loan program was established by Congress under the federal Clean Water Act. Known also as the Clean Water State Revolving Fund (SRF) program, it is managed jointly with the Centennial Clean Water Grant program by the Department of Ecology (DOE).

The SRF program provides low-interest loans to cities, counties, special purpose districts, federally-recognized Indian tribes, and other public bodies to plan, design, construct, and improve water pollution control facilities such as wastewater treatment plants, sewer systems, and storm water control projects. Borrowers are required to repay the loans and the repayments are deposited into the SRF to be made available for future loans.

The standard interest rate on a 20-year SRF loan is calculated based on 60 percent of the average market rate for tax-exempt municipal bonds. The standard interest rate that will be charged on loans made in fiscal year 2014 is 2.3 percent. The SRF program may also issue subsidized loans and forgivable principal loans in hardship cases.

The SRF program receives funding from four sources: loan repayments; an annual capitalization grant from the Environmental Protection Agency (EPA); a required 20 percent state match appropriated by the Legislature; and interest earnings on State Treasury investments.

The 2011-13 capital budget appropriation for the SRF program is \$192 million, of which \$110 million is from loan repayments and the state match, and \$82 million is from the EPA capitalization grant. Federal law prohibits the use of loan repayments for administration, but the DOE may use up to 4 percent of the EPA capitalization grant to cover its SRF program administration costs.

The SRF program portfolio is \$1.2 billion, with 96 loans in the disbursement and negotiation phase, and 265 loans in repayment status.

**Summary:** Administration Charge Authorized. The DOE may assess an administration charge for loans issued under the SRF program in order to predictably and adequately fund the DOE's administrative costs. The administration charge rate may never exceed 1 percent on the declining principal loan balance and will be assessed as a portion of the debt service on each loan at the point the loan enters repayment status. Administration charges on loans in repayment status will be assessed after the act takes effect and associated rule changes are adopted.

Loans carrying an interest rate less than the administration charge rate will be exempt from the charge.

**Account Created in the State Treasury.** A Water Pollution Control Revolving Administration Account (Account) is created in the State Treasury. All receipts from the administration charge, as well as other revenues from gifts, grants, or bequests pledged for SRF program administration, are to be deposited in the Account. Moneys from the Account may be spent only after appropriation. The State Treasurer is authorized to invest Account revenues and must credit the Account with its proportionate share of investment earnings.

**Expenditure of Moneys in the Account.** Each biennium, the DOE may spend from the Account an amount that is no more than 4 percent of the new capital appropriation. Moneys in the Account are to be used for: administration costs associated with conducting application processes, managing contracts, collecting loan repayments, managing the SRF, providing technical assistance, meeting state and federal reporting requirements; and information and data system costs associated with loan tracking and fund management.

Beginning with its 2017-19 operating budget submittal, the DOE must compare the projected balance in the Account and the projected income from the administration charge with its projected program administration costs, including an adequate working capital reserve approved by the Office of Financial Management. The DOE must then determine whether its administration charge rate must be increased, decreased, or remain unchanged, and whether there is an excess balance in the Account that must be transferred to the SRF to be used for loans. At the point that the Account adequately covers the costs of program administration, the DOE must use any federal capitalization dollars it receives to make loans.

**Accountability.** By December 1, 2018, the DOE must report to legislative fiscal committees on implementation of the administration charge.

**Votes on Final Passage:**

House	93	4
Senate	44	4

**Effective:** July 28, 2013  
Contingent (Section 4)

## SHB 1144

C 151 L 13

Regarding qualifications for educational interpreters.

By House Committee on Education (originally sponsored by Representatives Dahlquist, Lytton, Fagan, Haigh, Moscoso, Magendanz, Lias, Ryu and Santos).

House Committee on Education  
House Committee on Appropriations Subcommittee on Education

Senate Committee on Early Learning & K-12 Education

**Background:** In November 2011 there were just over 1,300 students aged 3 through 21 receiving special education in public schools as a result of being hearing impaired, deaf, or deaf-blind. Some of these students need sign language interpretation in order to access their education. Although there are state laws requiring qualified interpreters for legal proceedings, there are no minimum qualifications or standards for interpreters in Washington public schools.

The Educational Interpreter Performance Assessment (EIPA) is the primary national certification for educational interpreters and consists of both a written and performance examination. Other states that have established qualifications for educational interpreters have generally adopted scores ranging from 3.5 - 5 on the EIPA.

**Summary:** An educational interpreter is defined as a school district employee, whether certificated or classified, who provides sign language translation and further explanation for deaf, deaf-blind, or hearing impaired students. An educational interpreter assessment is defined as a written and performance assessment that is offered by a national organization of professional sign language interpreters that assesses performance in more than one sign language or system.

The Professional Educator Standards Board (PESB) must adopt standards and identify and publicize educational interpreter assessments that are available. The PESB must also establish a performance standard for each assessment, defining what constitutes a minimum assessment result.

By the beginning of the 2016-17 school year, educational interpreters who are employed by school districts must have successfully achieved the performance standard established by the PESB. The PESB must recommend to the Legislature by December 31, 2013, how to appropriately use the national interpreter certification and educational interpreter assessment for education interpreters.

These assessment requirements do not apply to educational interpreters who are employed to interpret a sign system or sign language for which no educational interpreter assessment has been identified by the PESB.

**Votes on Final Passage:**

House	91	6	
Senate	45	0	(Senate amended)
House	88	7	(House concurred)

# HB 1146

Effective: July 28, 2013

## HB 1146

C 70 L 13

Concerning certified water right examiner bonding requirements.

By Representatives Nealey, Blake, Chandler, Lytton, Warnick, Schmick, Walsh, Ryu and Haler.

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

**Background:** The Department of Ecology (Department) is required to establish and maintain a list of certified water right examiners. In order to qualify as a water right examiner, an individual must be registered as a professional engineer, professional land surveyor, or hydrogeologist, or demonstrate at least five years of applicable experience to the Department, or be a member of a water conservancy board. Qualified individuals must also pass a written examination in order to become certified.

Certified water right examiners are required to complete eight hours of qualifying continuing education in the water resources field each year, and must be bonded for at least \$50,000. The Department has the authority to suspend or revoke certifications based on poor performance, malfeasance, failure to acquire continuing education credits, or excessive complaints from examiner's customers.

**Summary:** Certified water right examiners are required to furnish evidence of insurance or financial responsibility in a form acceptable to the Department. This replaces the former requirement that each certified water right examiner be bonded for at least \$50,000.

### Votes on Final Passage:

House	98	0
Senate	47	1

Effective: July 28, 2013

## HB 1148

C 97 L 13

Addressing dissenters' rights under the Washington business corporation act.

By Representatives Pedersen, Rodne, Goodman and Ryu; by request of Washington State Bar Association.

House Committee on Judiciary  
Senate Committee on Law & Justice

**Background:** Dissenters' Rights Under the Washington Business Corporation Act. The Washington Business Corporation Act (WBCA) governs the creation, organization, and operation of corporations and the relationship between corporate directors, officers, and shareholders.

- The WBCA includes a chapter governing dissenters' rights. This chapter specifies the types of transactions and corporate actions that trigger dissenters' rights. The chapter also sets forth notice requirements to be followed by the corporation and dissenting shareholders.

Actions Which Trigger Dissenters' Rights. A shareholder is entitled to dissent from, and obtain payment of the fair value of his or her shares in the event of the following corporate actions:

- A plan of merger, to which the corporation is a party, if:
  - shareholder approval of the merger was required *and* the shareholder was entitled to vote on the merger; *or*
  - b. the corporation was a subsidiary that has been merged with its parent and the parent owned at least 90 percent of the subsidiary's outstanding shares.
- A plan of share exchange in which the corporation's shares have been acquired, if the shareholder was entitled to vote on the plan.
- A sale or exchange of substantially all of the corporation's property (other than in the usual and regular course of business), if the shareholder was entitled to vote on the sale or exchange. This includes a sale in dissolution but not a sale pursuant to court order or a sale for cash pursuant to a plan in which the net proceeds of the sale are to be distributed within the next year.
- An amendment of the corporation's articles of incorporation (whether or not the shareholder was entitled to vote), if the amendment effects a redemption or cancellation of all of the shareholder's shares in exchange for cash or other consideration (other than shares).
- Any action that triggers dissenters' rights pursuant to specific provisions of the corporation's articles of incorporation, bylaws, or corporate resolution.

In the event of certain, specified corporate actions triggering dissenters' rights, the corporation must deliver a notice to all shareholders that:

- states where the payment demand must be sent and where and when share certificates must be deposited;
- informs holders of uncertificated shares to what extent transfer of shares will be restricted after the payment demand is received;
- supplies a form for demanding payment;
- sets a date by which the corporation must receive the payment demand, which may not be fewer than 30 nor more than 60 days after the notice is delivered; and

- is accompanied by a copy of the WBCA chapter governing dissenters' rights.

**Summary:** Three amendments are made to dissenters' rights:

1. A provision regarding dissenters' rights in the event of a subsidiary's merger with its parent is amended to make clear that the corporate action approving the merger, and not the occurrence of the merger, is what triggers the notice provisions. In the event of a subsidiary's merger with its parent, where the plan of merger provided for the merger of the subsidiary, notice must be delivered to all shareholders of the subsidiary (other than the parent) within 10 days of the effective date of the corporate action.
2. Specific reference is added to social purpose corporations.
3. Language is added specifically requiring notice in the case of an amendment to articles of incorporation that effects a reverse split of the corporation's sole class of outstanding shares and the number of authorized shares of that class in the same proportions, that is not required to be approved by shareholders, and that effects a redemption or cancellation of shares in exchange for cash or consideration other than shares. The corporation must deliver notice, within 10 days after the effective date of the corporate action, to all shareholders entitled to dissent.

**Votes on Final Passage:**

House	97	0
Senate	48	0

**Effective:** July 28, 2013

**HB 1149**

C 98 L 13

Increasing the volume of spirits that may be sold per day to a customer of a craft distillery.

By Representatives Hurst, Ryu, Hunt and Santos.

House Committee on Government Accountability & Oversight

Senate Committee on Commerce & Labor

**Background:** Individuals seeking to distill spirits in Washington must obtain a license from the Liquor Control Board (LCB). The annual fee for a distillery license is \$2,000 and for a craft distillery the fee is \$100. To qualify as a craft distillery, the distiller must produce no more than 60,000 gallons of spirits with at least half of the raw materials used in the production grown in Washington. Craft distilleries may sell spirits of their own production for consumption off the premises in amounts up to two liters per person per day.

"Spirits" means any beverage which contains alcohol obtained by distillation, except flavored malt beverages, but including wines exceeding 24 percent of alcohol by volume.

**Summary:** A craft distillery is authorized to sell spirits of its own production for consumption off the premises in an amount up to three liters per person per day.

**Votes on Final Passage:**

House	98	0
Senate	43	5

**Effective:** July 28, 2013

**HB 1154**

C 99 L 13

Modifying the definition of nonpower attributes in the energy independence act.

By Representatives Upthegrove and Ryu.

House Committee on Environment

Senate Committee on Energy, Environment & Telecommunications

**Background:** Approved by voters in 2006, the Energy Independence Act (Act), also known as Initiative 937, requires electric utilities with 25,000 or more customers to meet targets for energy conservation and for using eligible renewable resources. Utilities that must comply with the Act are called qualifying utilities.

Eligible Renewable Resource Targets and Compliance Dates. Each qualifying utility must use eligible renewable resources or acquire equivalent renewable energy credits, or a combination of both, to meet the following annual targets:

- at least 3 percent of its load by January 1, 2012, and each year thereafter through December 31, 2015;
- at least 9 percent of its load by January 1, 2016, and each year thereafter through December 31, 2019; and
- at least 15 percent of its load by January 1, 2020, and each year thereafter.

Eligible Renewable Resource. An eligible renewable resource includes: wind, solar, geothermal energy, landfill and sewage gas, wave and tidal power, and certain biodiesel fuels. The following biomass is also classified as an eligible renewable resource: (1) organic by-products of pulping and the wood manufacturing process; (2) animal manure; (3) solid organic fuels from wood; (4) forest or field residues; (5) untreated wooden demolition or construction debris; (6) food waste and food processing residuals; (7) liquors derived from algae; (8) dedicated energy crops; and (9) yard waste.

Wood pieces that have been treated with chemical preservatives such as creosote, pentachlorophenol, or copper-chrome arsenic, wood from old growth forests, and municipal solid wastes, though biomass, do not qualify as eligible renewable resources.

Electricity produced from an eligible renewable resource must be generated in a facility that started operating after March 31, 1999. The facility must either be located in the Pacific Northwest or the electricity from the facility must be delivered into Washington on a real-time basis. Incremental electricity produced from efficiency improvements at hydropower facilities owned by qualifying utilities is also an eligible renewable resource, if the improvements were completed after March 31, 1999.

**Renewable Energy Credit.** A renewable energy credit (REC) is a tradable certificate of proof, verified by the Western Renewable Energy Generation Information System, of at least one megawatt hour of an eligible renewable resource, where the generation facility is not powered by fresh water. The RECs can be bought and sold in the marketplace, and they may be used during the year they are acquired, the previous year, or the subsequent year.

Under the Act, a REC represents all the nonpower attributes associated with the power. Nonpower attributes are all environmentally related characteristics, exclusive of energy, capacity reliability, and other electrical power service attributes, that are associated with the generation of electricity from a renewable resource, including but not limited to the facility's fuel type, geographic location, vintage, qualification as an eligible renewable resource, and avoided emissions of pollutants to the air, soil, or water, and avoided emissions of carbon dioxide and other greenhouse gases.

**Carbon Credits.** In addition to the RECs, reductions in greenhouse gas emissions can be traded in the marketplace. When doing so, greenhouse gases are traded according to their carbon dioxide equivalent, which is a measure of a gas's global warming potential compared to carbon dioxide. Carbon benefits that come from displacing other potential fossil fuel resources through electricity generation are included in a REC; however, carbon credits related to the removal of methane from the atmosphere can be sold separately from a REC.

**Summary:** Facilities that capture and destroy methane on-site through a digester system, landfill gas collection system, or other mechanism are allowed to separate their nonpower attributes into renewable energy credits (RECs) and other types of carbon reduction credits, offsets, or similar tradable commodities. The carbon credits, offsets, or similar tradable commodities can be marketed and traded separately from the RECs associated with the production of electricity from the facility. The separated avoided carbon emissions may not result in or otherwise have the effect of attributing greenhouse gas emissions to the electricity.

**Votes on Final Passage:**

House 97 0  
Senate 47 0

**Effective:** July 28, 2013

Increasing the number of superior court judges in Benton and Franklin counties jointly.

By Representatives Nealey, Haler, Klippert, Walsh, Schmick, Fagan and Ryu; by request of Board For Judicial Administration.

House Committee on Judiciary  
House Committee on Appropriations Subcommittee on General Government  
Senate Committee on Law & Justice

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

The state and the county share the cost of superior court judges. In order for an additional judicial position to become effective, the legislative authority of the affected county must approve the position and agree to pay, out of county funds and without reimbursement from the state, expenses associated with the new position.

The joint superior court for Benton and Franklin counties has six elected superior court judge positions. According to the AOC's objective workload analysis, an increase in the number of superior court judges in the counties of Benton and Franklin is recommended.

**Summary:** The number of statutorily authorized superior court judges in Benton and Franklin counties, jointly, is increased from six to seven. This new position becomes effective only if the legislative authorities of Benton and Franklin counties approve the position and agree that the counties will pay their share of the cost of the position without reimbursement from the state.

**Votes on Final Passage:**

House 87 9  
Senate 47 1

**Effective:** July 28, 2013

**HB 1178**

C 193 L 13

Authorizing alternative assessments of basic skills for teacher certification.

By Representatives Lytton, Maxwell, Santos, Seaquist, Reykdal, Sullivan, Fitzgibbon, Ryu, Pollet, Stanford, Tharinger and Jinkins.

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

**Background:** The Professional Educator Standards Board (PESB) is a 13-member board responsible for establishing requirements for state certification of educators and approving educator preparation and certification programs.

Passage of a basic skills test is required for admission to approved teacher preparation programs and for persons from out-of-state applying for a Washington teaching certificate. The basic skills that are assessed in this test must include at least reading, writing, and mathematics.

The PESB established the Washington Educator Skills Test Basic (WEST-B) as the requirement for admission to PESB-approved teacher preparation programs in August 2002. This test is also required for persons from out-of-state seeking a Washington State residency teaching certificate. The WEST-B contains three sub-tests that measure basic skills in reading, mathematics, and writing. Passage of all three sub-tests is required to meet the WEST-B requirement.

**Summary:** The PESB may identify and accept other tests and test scores for admission to approved teacher preparation programs and for out-of-state Washington teaching certificate applicants.

These alternative tests must be comparable in rigor to the basic skills assessment and candidates must meet or exceed the basic skills requirements established by the board.

The PESB must set the acceptable score for admission to teacher certification programs no lower than the average national scores for the SAT or ACT.

**Votes on Final Passage:**

House	57	40	
Senate	48	0	(Senate amended)
House	85	10	(House concurred)

**Effective:** July 28, 2013

**SHB 1180**

C 100 L 13

Addressing death benefits for volunteer firefighters and reserve officers.

By House Committee on Appropriations (originally sponsored by Representatives Scott, Blake, Kristiansen and Santos).

House Committee on Appropriations  
Senate Committee on Ways & Means

**Background:** The Volunteer Fire Fighters' and Reserve Officers' Relief and Pension System (VFFRORPS) provides death, disability, medical, and retirement benefits to volunteer firefighters, reserve officers, and emergency medical workers in cities, towns, and fire protection districts. The VFFRORPS is funded by member and employer contributions and 40 percent of the fire insurance premium tax.

Employers are required to participate in the death, disability, and medical benefit plans (collectively referred to as the "relief benefits") offered by the VFFRORPS, but participation in the pension component is optional and participants must enroll to be covered by the plan. Around 18,000 members are covered by the death, disability, and medical benefits, and 12,000 members are covered by the pension benefits.

Relief benefits are available to members covered under the relief provisions of VFFRORPS who are injured in the performance of duty. Eligibility for retirement pension benefits from the VFFRORPS begins after 10 years of service as a member. The amount of the pension increases for each five years of service beyond the minimum 10 years, and for payments made into the pension portion of the VFFRORPS. The maximum pension is vested with 25 years of service and 25 payments into the pension fund. Full retirement benefits are available at age 65, and early retirement benefits are available to members with 25 years of service on an actuarially reduced basis beginning at age 60. The maximum pension benefit is \$300 per month.

Monthly and lump-sum line-of-duty death benefits are provided where VFFRORPS members die as a result of injuries or sickness that are the result of the performance of duties. Lump-sum death benefits are equal to \$152,000.

Monthly death benefits are also paid to spouses and dependent children in VFFRORPS in cases where members die as a result of injuries or sickness that are the result of the performance of duties. A surviving widow or widower receives \$1,275 per month, and since July 1, 2001, the monthly death benefit for VFFRORPS has been indexed to the Consumer Price Index (CPI) for Urban Wage Earners and Clerical Workers. The indexing of the \$1,275 per month spouse benefit has increased it to about \$1,748 and increased the \$110 per month child benefit to about \$150.

The survivor benefits paid to a widow or widower increase by \$110 per month, per child of the member, up to

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a maximum of \$2,500 per month. If the widow or widower does not have legal custody of the deceased member's children, payments for the children are made to the person with legal custody of the children. If there is no widow or widower, then the \$1,275 per month benefit is made to the youngest child, along with the \$110 per additional children. If there is no widow or widower or children, then the benefit may be paid to a dependent parent or parents. Widow or widower benefits cease upon remarriage.

**Summary:** The lump-sum death benefit paid to survivors of Volunteer Fire Fighters' and Reserve Officers' Relief and Pension System (VFFRORPS) members who die as a result of injuries or sickness that are the result of the performance of duties is increased from \$152,000 to \$214,000.

The benefit provisions relating to monthly benefits in cases where there is no widow or widower are repealed. Instead, monthly death benefits payable to the parents or legal guardians of children of VFFRORPS members are modified to provide \$500 for each dependent child who is either unemancipated or under 18 years of age.

**Votes on Final Passage:**

House	97	0
Senate	46	0

**Effective:** July 28, 2013

## HB 1182

C 71 L 13

Including pharmacists in the legend drug act.

By Representatives Harris, Cody, Vick, Nealey, Ryu and Jinkins.

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

**Background:** Pharmacists are regulated by the Board of Pharmacy. They are authorized to interpret prescription orders; compound, dispense, label, administer, and distribute drugs; monitor drug therapy; participate in drug utilization reviews and drug product selection; store, distribute, and maintain records of drugs and devices; and provide information on legend drugs. In addition, pharmacists may initiate drug therapy in accordance with a collaborative drug therapy agreement (CDTA).

A CDTA is a set of written guidelines or protocols established by a health care practitioner who is authorized to prescribe drugs in which authority is delegated to a pharmacist to conduct specific prescribing functions. Among the health care practitioners that may prescribe drugs are physicians, osteopathic physicians, optometrists, dentists, podiatric physicians, veterinarians, certain registered nurses, and advanced registered nurse practitioners.

**Summary:** Statutory references are clarified to specify that licensed pharmacists may prescribe legend drugs to the extent allowed by a collaborative drug therapy agree-

ment authorized by the Board of Pharmacy and approved by a practitioner authorized to prescribe drugs.

**Votes on Final Passage:**

House	97	0
Senate	48	0

**Effective:** July 28, 2013

## SHB 1183

C 317 L 13

Regarding wireless communications structures.

By House Committee on Technology & Economic Development (originally sponsored by Representatives Morris, Smith, Habib, Crouse, Morrell, Magendanz, Freeman, Kochmar, Walsh, Tarleton, Dahlquist, Vick, Zeiger, Maxwell, Hudgins, Upthegrove, Ryu and Bergquist).

House Committee on Technology & Economic Development

Senate Committee on Energy, Environment & Telecommunications

**Background:** State Environmental Policy Act. The State Environmental Policy Act (SEPA) establishes a review process for state agencies and local governments to identify possible environmental impacts that may result from governmental decisions, including the issuance of permits or the adoption of or amendment to land use plans and regulations. The information collected through the SEPA review process may be used to change a proposal to mitigate likely impacts, or to condition or deny a proposal when adverse environmental impacts are identified.

Provisions in the SEPA generally require a project applicant to complete an environmental checklist that includes questions about the potential environmental impacts of the proposal. This checklist is then reviewed by a designated lead agency to determine whether the proposal is likely to have a significant adverse environmental impact. If the lead agency determines that a proposed project is likely to have a significant adverse impact on the environment, it must prepare an Environmental Impact Statement.

For some projects, including the types of projects that have been "categorically exempt" from the SEPA review process, no environmental review under the SEPA is required. Categorical exemptions to the SEPA review are identified in both state statute and rule. The siting of wireless service facilities that meet specific conditions is categorically exempt in statute from the SEPA review process. The Department of Ecology (DOE) is also required to adopt rules for this categorical exemption.

Among other provisions, Engrossed Second Substitute Senate Bill 6406 from 2012 required the DOE to update the rule-based categorical exemptions to the SEPA, as well as update the environmental checklist.

Federal Requirement to Approve the Siting of Certain Wireless Communication Facilities. Federal law requires state and local governments to approve the request for the modification of an existing wireless tower or base station for certain facilities if the modification does not substantially change the physical dimensions of such tower or base station. A policy directive subsequently issued by the Federal Communication Commission interpreted substantial change to mean:

- the mounting of equipment on a structure that would increase the height of the structure by more than 10 percent, or 20 feet, whichever is greater;
- the mounting of the proposed antenna or equipment would involve the addition of more than the standard number of new equipment cabinets, not to exceed four, or the addition of more than one new equipment shelter;
- the mounting of equipment that would involve adding an appurtenance to the body of the structure that would protrude from the edge of the structure more than 20 feet, or more than the width of the structure at the level of the appurtenance, whichever is greater; or
- the mounting of the proposed antenna would involve excavation outside the current tower site, defined as the boundaries surrounding the tower and any existing access or utility easements related to the site.

**Summary:** The conditions under which siting wireless service facilities are exempt from the SEPA review process are changed. The requirement for the facility to meet one of the following two exemption requirements is removed: (1) a microcell attached to an existing structure that does not contain a residence or school; or (2) wireless service antennas attached to an existing structure that does not contain a residence or a school, and is located in a commercial, industrial, manufacturing, forest, or agricultural zone. The exemption instead applies to collocating, removing, or replacing transmission equipment that does not: (1) increase the height of the structure by more than 10 percent or 20 feet; or (2) add a component to the structure that protrudes more than 20 feet, or more than the width of the structure at the level it is placed.

Also removed from the exemption conditions is the requirement that the project not consist of a series of actions: (1) some of which are not categorically exempt; or (2) that together may have a probable significant adverse environmental impact. Instead, the exemption may only be applied to a project consisting of a series of actions only when all actions in the series are categorically exempt and the actions together do not have a probable significant adverse environmental impact.

"Collocation" is defined as the mounting or installation of equipment on an existing tower, building, or structure for the purpose of either transmitting or receiving, or both, radio frequency signals for communications purposes.

Wireless service providers granted a SEPA exemption must to report to the Legislature by January 1, 2020, on the number of permits issued, the number of SEPA exemptions granted, and the total dollar investment in wireless service facilities.

**Votes on Final Passage:**

House	92	0	
Senate	37	11	(Senate amended)
House			(House refused to concur)
Senate	37	10	(Senate amended)
House	96	0	(House concurred)

**Effective:** July 28, 2013

**SHB 1192**

C 101 L 13

Regarding license fees under Title 77 RCW for veterans with disabilities.

By House Committee on Appropriations Subcommittee on General Government (originally sponsored by Representatives Short, Blake, Takko, Taylor, Kretz, Crouse, Springer, Chandler, Ryu and Morrell).

House Committee on Agriculture & Natural Resources  
House Committee on Appropriations Subcommittee on General Government

Senate Committee on Natural Resources & Parks

**Background:** The Washington Department of Fish and Wildlife (WDFW) is responsible for issuing hunting and fishing licenses at fees that are set in statute for each license type. These fees generally have a set amount for an adult state resident, and then an elevated price for a non-state resident and a reduced price for a youth participant.

Reduced license prices are also available to certain individuals with disabilities. These individuals may receive a fishing license for \$5 and any of the various state hunting licenses for the price that is charged to a youth participant for that license.

To qualify for one of these reduced rates, the individual must be a Washington resident and satisfy one of the following criteria:

- be an honorably discharged veteran who is at least 65 years old and who has a service-related disability of any kind;
- be an honorably discharged veteran of any age and who has a 30 percent or greater service-related disability; or
- regardless of military service, have a disability that results in the permanent use of a wheelchair, or blindness or another visual impairment; or
- have a developmental disability.

**Summary:** The lower hunting and fishing license prices available to Washington residents are extended to residents of other states who are veterans with a disability. To



qualify, the non-state resident hunter or fisher must satisfy the same requirements for a discounted rate that state resident veterans with a disability must satisfy. These requirements are being an honorably discharged veteran of the United States armed forces and being either:

- age 65 or older with a service-related disability of any kind; or
- any age, with a 30 percent or greater service-related disability.

**Votes on Final Passage:**

House	97	0
Senate	47	0

**Effective:** February 1, 2014

**HB 1194**  
C 194 L 13

Limiting liability for habitat projects.

By Representatives Stanford, Warnick, Lytton, Goodman, Wilcox, Tharinger, Chandler, Blake, Nealey, Orcutt, Hansen, Kirby, Ryu, Fagan and McCoy.

House Committee on Judiciary  
Senate Committee on Law & Justice

**Background:** The Governor's Salmon Recovery Office, located within the Recreation and Conservation Office (RCO), is responsible for coordinating the state strategy to allow for salmon recovery to healthy, sustainable population levels. Part of that responsibility is to coordinate and assist in the development, implementation, and revision of regional salmon recovery plans as part of the statewide strategy for salmon recovery. The Salmon Recovery Funding Board (SRFB), consisting of five voting Governor appointees and five state officials serving as ex officio nonvoting members, determines which projects receive funding.

Washington's system of watersheds is divided into eight Salmon Recovery Regions: Hood Canal, Lower Columbia River, Middle Columbia River, Northeast Washington, Puget Sound, Snake River, Southwest Washington, Upper Columbia River, and Washington Coast.

Within those eight regions, the counties, cities, and tribal governments jointly designate areas for which a "habitat project list" is to be developed, and designate the lead entity. The lead entity may be a county, city, conservation district, special district, tribal government, regional recovery organization, or other entity. Once selected, a lead entity must establish a committee to provide citizen-based evaluation of the projects proposed for the habitat project list.

Projects eligible for the list include restoration projects, protection projects, projects that improve water quality, projects that protect water quality, habitat-related mitigation projects, and project maintenance and monitoring activities. No project included on a habitat project list

is mandatory, however, and no private landowner may be forced to participate in any project. All areas covered by a project must be based on a water resource inventory area (WRIA), a combination of WRIs, or be an area agreed to by the counties, cities, and tribes.

Together, the lead entity and the committee evaluate the suggested projects, prioritize them, define the sequence for project implementation, and submit the habitat project list to the SRFB. Of the 139 projects submitted by lead entities in 2012, the SRFB fully or partially funded 116 of them.

**Summary:** A landowner whose land is used for a habitat project that is included on a habitat project list may not be held civilly liable for property damage resulting from the habitat project regardless of whether the project was funded by the Salmon Recovery Funding Board, if the landowner has received notice from the project sponsor that the following conditions have been met:

- the project was designed by a licensed professional engineer or a licensed geologist with experience in riverine restoration;
- the project is designed to withstand 100-year floods;
- the project is not located within one-quarter mile of an established downstream boat launch;
- the project is designed to allow adequate response time for in-river boaters to safely evade in-stream structures; and
- if the project includes large wood placement, each individual root wad and each log larger than 10 feet long and one foot in diameter must be visibly tagged with a unique numerical identifier that will withstand typical river conditions for at least three years.

**Votes on Final Passage:**

House	75	22	
Senate	48	0	(Senate amended)
House	77	18	(House concurred)

**Effective:** July 28, 2013

**2SHB 1195**  
C 195 L 13

Concerning primaries.

By House Committee on Appropriations Subcommittee on General Government (originally sponsored by Representatives Wylie, Buys, Hunt, Van De Wege, Appleton, Orwall, Ryu and Jinkins).

House Committee on Government Operations & Elections  
House Committee on Appropriations Subcommittee on General Government  
Senate Committee on Governmental Operations  
Senate Committee on Ways & Means

**Background:** With limited exceptions, the names of all candidates who file a declaration of candidacy appear on

the primary ballot. If a special election is required in an odd-numbered year to fill a vacancy in any office that is scheduled to be voted upon for a full term in an even-numbered year, no primary election is held if no more than two candidates have filed a declaration of candidacy for the office. No primary is held for any single position in any city, town, district, or district court if, after the last day allowed for candidates to withdraw, no more than two candidates have filed for the same position.

**Summary:** The provision prohibiting a primary election in an odd-numbered year to fill a vacancy in any office that is scheduled to be voted upon for a full term in an even-numbered year is repealed. The provision specifying that no primary be held for any city, town, district, or district court position if no more than two candidates file for the office is expanded to include all nonpartisan offices.

**Votes on Final Passage:**

House	96	1	
Senate	45	3	(Senate amended)
House	94	1	(House concurred)

**Effective:** May 10, 2013

## SHB 1200

C 290 L 13

Concerning the labeling of seafood.

By House Committee on Agriculture & Natural Resources (originally sponsored by Representatives Blake, Wilcox, Takko, Lytton, Klippert, Van De Wege, Nealey, Stanford, Short and Smith).

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

**Background:** Misbranding. A person is guilty of Misbranding (fish or shellfish), if he or she knowingly:

- sells at wholesale or retail any fresh or frozen salmon food fish or cultured aquatic salmon without identifying the species of salmon by its common name to the buyer at the point of sale; or
- sells at wholesale or retail any fresh or frozen: private sector cultured aquatic salmon without identifying the product as farm-raised salmon; or commercially caught salmon designated as food fish without identifying the product as commercially caught salmon.

A person who receives misleading or erroneous information about the species of salmon or whether the salmon is farm-raised or commercially caught, and subsequently inaccurately identifies salmon is not guilty of misbranding.

Agency Authority. The Washington State Department of Agriculture (WSDA) in consultation with the Washington Department of Fish and Wildlife (WDFW) must adopt

rules establishing a definition and standard for identifying salmon offered for sale.

Pamphlet. The WSDA is required to develop a pamphlet that generally describes seafood labeling requirements, which must also be provided to the WDFW.

**Summary:** Misbranding. The crime of Misbranding is designated Unlawful Misbranding of Food Fish or Shellfish and is changed to include the following:

- the knowing sale or offer for sale at wholesale or retail any fresh, frozen, or processed food fish or shellfish without identifying for the buyer at the point of sale the species of food fish or shellfish by its common name;
- the knowing labeling or offer for sale of any food fish designated as halibut, with or without additional descriptive words, unless the food fish produce is *Hippoglossus hippoglossus* or *Hippoglossus stenolepis*; and
- the knowing sale or offer for sale at wholesale or retail any fresh, frozen, or processed salmon without identifying, as farm-raised salmon, private sector cultured aquatic salmon, or salmon product.

A person is guilty of Unlawful Misbranding of Food Fish or Shellfish if he or she commits one of the prohibited acts related to branding. The degree of the crime is determined by the fair market wholesale value of the misbranded food fish or shellfish as follows:

- Third Degree-Value of less than \$500;
- Second Degree-Value of at least \$500, but less than \$5,000; and
- First Degree-Value of at least \$5,000.

Definitions. "Food fish" is defined as fresh or saltwater finfish and other forms of aquatic animal life other than crustaceans, mollusks, birds, and mammals where the animal life is intended for human consumption. "Shellfish" is defined as crustaceans and all mollusks where the animal life is intended for human consumption. "Commercially caught" means wild or hatchery-raised salmon harvested in the wild by commercial fishers. The term does not apply to farmed fish raised exclusively by private sector aquaculture.

Agency Authority. The Washington State Department of Agriculture (WSDA), in consultation with the Washington Department of Fish and Wildlife (WDFW), may establish and implement definitions and identification standards for species of food fish and shellfish that are sold for human consumption. If the common name for a species is not defined by the WSDA, then the common name or acceptable market name as provided by the United States Food and Drug Administration may be used.

The WSDA, in consultation with the WDFW, may also provide procedures for enforcing food fish and shellfish labeling requirements and misbranding prohibitions.

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Pamphlets. The WSDA may develop an electronic pamphlet that describes the seafood labeling requirements, and provide the pamphlet to the WDFW and holder of any license associated with buying and selling fish or shellfish.

### Votes on Final Passage:

House	96	0
Senate	47	0

**Effective:** July 28, 2013

## HB 1203

C 220 L 13

Exempting personal information relating to children from public inspection and copying.

By Representatives Farrell, Lytton, Kagi, Freeman, Walsh, Ryu, Reykdal, Morrell, Jinkins, Bergquist and Ormsby; by request of Department of Early Learning.

House Committee on Government Operations & Elections  
Senate Committee on Human Services & Corrections

**Background:** The Public Records Act requires that state and local government agencies make all public records available for public inspection and copying unless the records fall within certain statutory exemptions. The provisions requiring public records disclosure must be interpreted liberally and the exemptions narrowly in order to effectuate a general policy favoring disclosure.

Prior to July 1, 2006, the Department of Early Learning (DEL) existed within the Department of Social and Health Services (DSHS) as the Division of Child Care and Early Learning. At that time, personal information, including welfare and medical status, contained in child care and early learning records had been protected under the DSHS statutes regarding confidential records. When the DEL became an independent agency, the confidentiality protections previously afforded to individuals whose personal information is documented in child care and early learning records under the DSHS statutes became obsolete.

**Summary:** The list of personal information that is not disclosable (addresses, telephone numbers, personal electronic mail addresses, social security numbers, emergency contact, and date of birth information) when contained in files maintained for students in public schools, patients or clients of public institutions or public health agencies, or welfare recipients is removed. An exemption for personal information contained in any file maintained by the DEL for a child enrolled in licensed child care is established. The term "participant" is replaced with "child enrolled" pertaining to exempted personal information for those taking part in a public or nonprofit program serving or pertaining to children, adolescents, or students.

### Votes on Final Passage:

House	96	0
Senate	46	0

**Effective:** July 28, 2013

## HB 1207

C 167 L 13

Concerning cemetery district formation requirements.

By Representatives Haigh, Takko and Ryu.

House Committee on Local Government  
Senate Committee on Governmental Operations

**Background:** Cemetery districts may be established in any county to acquire, maintain, manage, improve, and operate cemeteries and conduct any of the businesses of a cemetery. Cemetery districts are separate taxing districts and are authorized to contract indebtedness, borrow money, issue bonds, and levy taxes.

Formation of Cemetery Districts. Cemetery districts may be established through a petition-based process. A petition to create a cemetery district must be signed by no less than 10 percent of the registered voters residing within the boundaries of the proposed district. The petition, which must be filed with the county auditor, must designate the proposed boundaries or describe the lands to be included in the proposed district in accordance with prescribed requirements. Persons signing the petition may not withdraw their names from the petition after it has been filed with the auditor.

Once the petition has been filed, the auditor has 30 days to verify the signatures and determine whether the petition is sufficient. If the petition is found to contain a sufficient number of valid signatures, the county legislative authority must set a date and time and provide notice for public hearing on the proposal. If the board of county commissioners subsequently finds the creation of a district to be conducive to public welfare and convenience, it must designate the name and number of the proposed district, establish the boundaries, and call for an election within the boundaries of the proposed district on the establishment and for the initial district commissioners.

An election on the establishment of a cemetery district must generally be held and conducted in the same manner as a special election in the county and in accordance with specific precinct administration requirements and provisions. Establishment of the district requires an affirmative vote by two-thirds of the voters participating in the election. The election returns must be canvassed at the court house on the Monday following the election, and if there are sufficient votes in favor of the cemetery district, the board of county commissioners must declare by resolution that the cemetery district is duly organized. A copy of the resolution must be filed with the county auditor and county assessor without requiring payment of a recording fee.

As an alternative to the petition-based process, a county legislative authority may, by ordinance or resolution, provide for a ballot proposition to create a cemetery district. The ballot proposition must designate the proposed

boundaries or describe the lands to be included in the proposed district. The ballot approval and canvassing requirements are identical to those required for ballot measures initiated through the petition-based process.

**Cemetery District Commissioners.** The affairs of cemetery districts are managed by independently elected three-member boards of commissioners. Commissioners may be compensated for actual attendance at official meetings of the cemetery district at a rate of up to \$90.00 per day, not to exceed \$8,640.00 per year. These dollar thresholds are adjusted for inflation by the Office of Financial Management every five years. Commissioners may waive compensation by written waiver.

To achieve staggered terms of office, the initial three commissioners of a cemetery district, which are elected at the time of the district's formation, serve terms that vary in length between one and six years. Subsequent commissioners elected thereafter serve six-year terms of office. The polling places for a cemetery district election may be located inside or outside the boundaries of the cemetery district, and an election may not be held irregular or void on that account.

**Summary:** Requirements governing the petition-based establishment process for cemetery districts are modified and generally divided into two classifications based upon the number of municipalities in the county within which the district would be formed.

A petition to establish a cemetery district in a county with only one city or town must be signed by 10 or more percent of the registered voters in the proposed district, based on the total votes cast in the most recent county general election. A petition to establish a cemetery district in a county with more than one city or town must be signed by 10 or more percent of the registered voters in the proposed district.

If the petition is filed in a county with only one city or town, the auditor has 15 days from the date of filing to determine the sufficiency of the petition. If, after the conclusion of this 15-day period, the county auditor determines the petition to be insufficient, he or she must return the petition to the filer for a 10-day period during which the filer may add additional signatures. After the petition is resubmitted, the county auditor has an additional 15 days to examine the petition and determine its sufficiency. If the petition is filed in a county with more than one city or town, the county auditor has 30 days from the date of filing to determine its sufficiency.

A ballot proposition to establish a cemetery district in a county with only one city or town must be approved by a majority of all votes cast at the election. Establishment propositions in all other counties must be approved by two-thirds of all votes cast at the election.

Election administration provisions related to cemetery districts have also been deleted or modified. Counties, when conducting a cemetery district establishment election, are no longer authorized to combine or divide and re-

define county voting precincts. These counties are also no longer expressly required to canvass the returns of an establishment election at the county court house on the Monday following the election. Additionally, a provision expressly permitting polling places for cemetery districts to be located outside of the district, and barring these elections from being held irregular or void on that account, is deleted.

**Votes on Final Passage:**

House	54	42	
Senate	35	13	(Senate amended)
House	60	35	(House concurred)

**Effective:** July 28, 2013

**HB 1209**

C 72 L 13

Extending the program establishing Christmas tree grower licensure.

By Representatives MacEwen, Blake, Chandler, Stonier, Wilcox, Springer, Haigh, Morrell and Stanford.

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

**Background: Licensure, Fees, and Exemptions.** The Department of Agriculture's (Department) Plant Protection Division administers horticultural plant inspections and licensing programs. A Christmas tree grower must obtain a Christmas tree grower's license from the Department prior to operating as a grower. The annual licensing fee established by the Department Director (Director) in rule is \$40 annually plus a \$3 per acre assessment. The total annual license fee may not exceed \$5,000.

Fees collected are deposited in the Christmas tree account within the Agricultural Local Fund. The fees may be used only for the Christmas tree program, which may include market surveys and research related to Christmas trees.

Exempted from the licensing requirements is any Christmas tree grower who owns trees, whose business consists solely of retail sales to the ultimate consumer, and who either has less than one acre of Christmas trees, or harvests fewer than 400 Christmas trees per year. Also exempted are licensed nursery dealers who furnish live plants for planting to growers.

The Director may audit licensees during normal business hours to determine that required fees have been paid. The Director must not issue a Christmas tree grower license to any applicant who has failed to pay all assessments. The Director may apply for a court injunction restraining a Christmas tree grower from operating without a license. An order restraining such operation must provide for payment of pertinent court costs, reasonable attorneys' fees, and equitable administrative expenses.

Inspections, Certification, and Enforcement. The Director may adopt rules for: inspection and/or certification of Christmas trees as to freedom from plant pest infestation; Christmas tree grower license fees and tree inspection fees; and fee collection methods.

The Director may, by rule, require that any or all Christmas trees delivered or shipped into Washington be inspected for conformance with the requirements of state law prior to release by the person transporting or delivering them.

The Director may issue a hold order on Christmas trees when there is cause to believe they are damaged, infested, or infected by a plant pest. The Director may prescribe the conditions for holding the material. The Director must condemn any Christmas trees shipped or sold if they are found to be diseased, infected, or infested to the extent that treatment is not practical, and must order such trees either destroyed or returned at the shipper's option.

If the Director is denied access to perform inspections at the horticultural facilities of a Christmas tree grower, the grower may be subject to license revocation.

Any licensee or person financially interested in Christmas trees may request inspection and/or certification services for a fee in an amount set by the Director.

Unlawful Actions and Penalty for Noncompliance. It is unlawful for any person to:

- sell, ship, or transport a Christmas tree unless it meets standards in rule for freedom from plant pest infestation and other requirements;
- falsely claim to be a Christmas tree grower;
- alter an official certificate or other inspection document for plant materials including Christmas trees; or
- substitute any Christmas tree for a Christmas tree covered by an inspection certificate.

A person who fails to comply with the Christmas tree licensure program may be subject to denial, revocation or suspension of the Christmas tree grower license, or assessed a civil penalty of not more than \$1,000 per violation.

The Christmas tree licensure program is set to expire on July 1, 2014.

**Summary:** The program establishing Christmas tree grower licensure is extended from its July 1, 2014 expiration date to July 1, 2020.

**Votes on Final Passage:**

House	96	0
Senate	47	1

**Effective:** July 28, 2013

Concerning social worker licensing.

By Representatives Orwall, Pettigrew, Kagi, Morrell and Ryu.

House Committee on Health Care & Wellness  
Senate Committee on Human Services & Corrections

**Background:** The Department of Health (Department) licenses two types of social workers: advanced social workers and independent clinical social workers. Advanced social workers apply social work theory and methods including emotional assessment, supervised psychotherapy, case management, consultation, advocacy, counseling, or community organization. Independent clinical social workers diagnose and treat emotional and mental disorders based on knowledge of human development, cause and treatment of psychopathology, psychotherapy treatment, and social work practice. Both categories of social workers must have graduated from a master's or doctorate level program in social work education, passed an examination, completed a supervised experience requirement, and completed continuing education requirements.

In addition to fully licensed professionals, the Department licenses associate-level social workers, marriage and family therapists, and mental health counselors. These individuals must have graduated from an educational program in their field and declare that they are working toward a full license. Associates must work under the supervision of an approved supervisor. The associate-level license may be renewed up to four times.

**Summary:** Legislative findings are made that advanced social workers and independent clinical social workers both represent the highest level of practice within the social work profession.

The categories of health professions that may supervise an advanced social worker when performing psychotherapy are expanded from only independent clinical social workers to also include psychiatrists, psychologists, psychiatric advanced registered nurse practitioners, psychiatric nurses, and other mental health professionals as established in rule by the Secretary of Health (Secretary).

The requirement that applicants for an independent clinical social worker license complete 4,000 hours of supervised experience over a three-year period is extended to allow the hours to be completed over a period of not less than three years.

An application for a license to practice as a social worker, marriage and family therapist, or mental health counselor must be considered under the applicable regulations in effect at the time that a completed application is submitted to the Department of Health. Subsequently adopted regulations may not be the basis for denying an application.

The number of times that an associate-level license for social workers, marriage and family therapists, or mental health counselors may be renewed is increased from four times to six. The renewal of an associate-level license is contingent upon the applicant having completed 18 hours of continuing education in the prior year. From 2014 until 2020, the Secretary must annually report to the appropriate committees of the Legislature regarding the number of associate-level licenses that have been renewed either four, five, or six times.

Associate-level social workers must comply with suicide assessment, treatment, and management training requirements.

**Votes on Final Passage:**

House	96	0
Senate	48	0

**Effective:** July 28, 2013

## SHB 1216

C 168 L 13

Concerning treatment of eosinophilia gastrointestinal associated disorders.

By House Committee on Health Care & Wellness (originally sponsored by Representatives Habib, Clibborn, Jinkins, McCoy, Springer, Morrell, Goodman, Appleton, Tarleton, Ryu, Tharinger and Fey).

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

**Background:** I. Eosinophilia. Eosinophils are a type of white blood cells that contain proteins designed to help the body fight infection. Eosinophilia is an abnormally high number of eosinophils in the blood or body tissues. In some cases, eosinophilia can lead to inflammation of the gastrointestinal tract or the esophagus. Treatments for eosinophilia include corticosteroids and amino acid-based elemental formulas.

II. Mandated Benefits under the Patient Protection and Affordable Care Act. Beginning in 2014, the federal Patient Protection and Affordable Care Act (PPACA) will require most small group and individual health plans to offer a package of benefits known as the "essential health benefits." A state must defray the costs to consumers for state-mandated benefits that are not included in the state's essential health benefits package.

To determine the essential health benefits, federal law allows a state to choose a "benchmark" plan from a list of options and to supplement that plan to ensure it covers all of the essential health benefit categories specified in the PPACA. Washington has chosen the largest small group plan in the state as its benchmark, which means most of the state's existing benefit mandates are included in the state's essential health benefit package. The state may not change its benchmark until at least 2016, when the federal govern-

ment will revisit its approach for designating the essential health benefits.

The Insurance Commissioner must submit to the Legislature a list of state-mandated health benefits, the enforcement of which would result in federally imposed costs to the state. The list must include the anticipated costs to the state of each benefit on the list. The Insurance Commissioner may enforce a benefit on the list only if funds are appropriated by the Legislature for that purpose.

III. Sunrise Reviews. The Department of Health (DOH) performs "sunrise reviews" on proposals for new mandated insurance benefits when requested to do so by the Legislature. The DOH reviews proposals for new insurance mandates by weighing the benefits of the mandates against the costs, including the impact on the availability of insurance. When the DOH performs a sunrise review, the results must be reported back to the Legislature no later than 30 days prior to the start of the following legislative session.

IV. Grievance and Appeals Process. Health carriers must have a fully operational, comprehensive grievance and appeal process. Decisions on appeals must be made within 30 days. An appeal must be expedited if the enrollee, the enrollee's provider, or the health carrier's medical director reasonably determines that following the appeal process response timelines could seriously jeopardize the enrollee's life, health, or ability to regain maximum function.

**Summary:** The DOH must conduct a sunrise review of the proposal to require health carriers to cover formulas necessary for the treatment of eosinophilia gastrointestinal associated disorders, regardless of delivery method. The DOH must report the results of the review no later than 30 days prior to the 2014 legislative session.

A health carrier must apply a timely appeals process to ensure medically necessary treatment is available. Expedited appeals must be completed when a delay in the appeal process could jeopardize the enrollee's life, health, or ability to regain maximum function.

**Votes on Final Passage:**

House	90	6	
Senate	46	0	(Senate amended)
House	89	5	(House concurred)

**Effective:** July 28, 2013

HB 1218

C 102 L 13

Concerning department of fish and wildlife license suspensions.

By Representatives Takko, Klippert, Blake, Orcutt, Kirby, Buys, Lytton, Goodman, Kretz, Van De Wege, Nealey, Hudgins, Wilcox, Stanford, Short, Warnick, Haigh and Ryu; by request of Department of Fish and Wildlife.

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

**Background:** The Washington Department of Fish and Wildlife (WDFW) must revoke licenses, tags, and stamps issued under the Fish and Wildlife Code and suspend the associated privileges for any time period in which a person is certified by the Department of Social and Health Services or a court of competent jurisdiction as a person in non-compliance with a support order. If a person engages in any activity that is licensed by the WDFW and the person's privileges to engage in that activity were revoked or suspended by the WDFW or any court, then he or she is guilty of Violating a "Suspension of Department Privileges" (Violating a Suspension) in the second degree. A person is guilty of Violating a Suspension in the first degree, if:

- the person engages in any activity that is licensed by the WDFW;
- the person's privileges to engage in that activity were revoked or suspended by the WDFW or any court; and
- the suspension of privileges violated was a permanent suspension, the person takes or possesses more than \$250 worth of unlawfully taken food fish, wildlife, game fish, seaweed, or shellfish, or the violation involves the hunting, taking, or possession of fish or wildlife classified as endangered or threatened or big game.

The WDFW must permanently suspend a person's privileges to engage in the hunting or fishing activity that resulted in a conviction for Violating a Suspension in the second degree. A conviction for Violating a Suspension in the first degree requires the WDFW to order a permanent suspension of all privileges to hunt, fish, trap, or take wildlife, food fish or shellfish. No distinction is made for convictions based on suspensions or revocations for noncompliance with a support order.

**Summary:** The Washington Department of Fish and Wildlife (WDFW) must order a suspension of all of a person's privileges to hunt, fish, trap, or take wildlife, food fish, game fish, or shellfish for a period of two years if he or she is convicted of Violating a "Suspension of Department Privileges" (Violating a Suspension) in the second degree and the violation was of a child support-based suspension. The suspension period is four years for a conviction of Violating a Suspension in the first degree involving a child support-based suspension. The suspensions issued

for convictions of child support-based suspension violations are in addition to any suspension required for the underlying fish or wildlife violation. If a person with a child support-based suspension completes his or her period of suspension imposed because of a conviction but is still suspended for child support noncompliance, the person cannot hunt, fish, or engage in any activity regulated by the WDFW until he or she obtains a release from the Department of Social and Health Services and provides a copy of the release to the WDFW.

The taking of game fish is included in the list of privileges permanently suspended upon conviction for Suspension Violation in the first degree.

Penalties imposed upon persons convicted of Suspension Violation in the first or second degree that are based on child-support suspensions are revised. For Suspension Violation in the second degree, the WDFW must suspend all hunting and fishing privileges (rather than those that resulted in the violation) for a period of two years (rather than permanently). For Suspension Violation in the first degree, the WDFW must suspend all hunting and fishing privileges for a period of four years (rather than permanently).

**Votes on Final Passage:**

House	97	0
Senate	48	0

**Effective:** July 28, 2013

SHB 1242

C 169 L 13

Concerning the authority of a vehicle subagent to recommend a successor.

By House Committee on Transportation (originally sponsored by Representatives Moscoso, Zeiger, Morrell, Johnson, Roberts and Springer).

House Committee on Transportation  
Senate Committee on Transportation

**Background:** The Director of the Department of Licensing (DOL) has final appointment authority for county auditors or other agents or subagents. The Director may appoint county auditors, or in the absence of a county auditor, the DOL or an official of county government, as agents for vehicle titles and registrations. County auditors or agents must enter into a contract with the DOL. A county auditor or agent may, with the approval of the Director of the DOL, appoint subagents. A county auditor or agent who requests a subagency must use an open competitive process which includes, but is not limited to, a written business proposal and an oral interview to determine the qualifications of the interested applicants.

The county auditor or subagent then submits all proposals to the Director of the DOL with a recommendation for appointment of one or more subagents. A subagent ap-

pointed by the Director of the DOL must enter into a contract with the county auditor or agent.

If a subagent no longer wants the subagency appointment, then the same open competitive process is followed to select a successor. If one of the county auditor's recommendations is an existing subagent's sibling, spouse, or child, or a subagency employee, the county auditor must submit one other applicant who is qualified and was chosen through the open competitive process.

A subagent may not receive any direct or indirect compensation from any party or entity in recognition of a successor nomination. A subagent may not receive any financial benefit from the transfer or termination of an appointment. The appointment of a successor does not create a proprietary or property interest in the appointment.

**Summary:** A subagent who is planning to retire within 12 months may recommend a successor without resigning his or her appointment by submitting a letter of intent to retire to the county auditor or agent with a successor recommendation. The county auditor or agent must, within 60 days, respond in writing indicating if the successor would be considered in the open competitive process. If there are negative factors or deficiencies pertaining to the subagency or the recommended successor, the county auditor or agent must state those factors in writing to the subagent. The subagent may withdraw the letter of intent to retire prior to the open competitive process by writing to the county auditor and filing a copy with the Director of the DOL.

If the county auditor or agent does not select the recommended successor for appointment as a result of the open competitive process, the county auditor or agent must contact the subagent by letter and explain the decision. The subagent must be provided an opportunity to respond in writing. Any response by the subagent must be included in the open competitive process materials submitted to the DOL.

A subagent may name a recommended successor at any time during his or her appointment by notifying the county auditor or agent and filing a copy with the Director. The purpose is for the county auditor or agent to know the wishes of the subagent in the event of death or incapacitation that could lead to the inability of the subagent to fulfill the obligation of his or her appointment.

**Votes on Final Passage:**

House	98	0	
Senate	48	0	(Senate amended)
House	97	0	(House concurred)

**Effective:** July 28, 2013

**ESHB 1245**

C 291 L 13

Regarding derelict and abandoned vessels in state waters.

By House Committee on Agriculture & Natural Resources (originally sponsored by Representatives Hansen, Smith, Ryu, Wilcox, Maxwell, Warnick, Blake, Upthegrove, MacEwen, Lytton, Van De Wege, Takko, Walsh, Jinkins, Fitzgibbon, Hunt, Haigh, Morrell, Seaquist, Tharinger, Hudgins, Stanford and Hayes; by request of Department of Natural Resources).

House Committee on Agriculture & Natural Resources  
 House Committee on Appropriations Subcommittee on General Government  
 Senate Committee on Natural Resources & Parks

**Background:** Removal of Derelict or Abandoned Vessels. An authorized public entity (APE), which includes most state and local owners of aquatic lands and shorelines, has the discretionary authority to remove and destroy a vessel within its jurisdiction that has become abandoned or derelict. The Department of Natural Resources (DNR) has an oversight and rulemaking role in the removal and disposal process. The DNR also has authority to remove any vessel within the jurisdiction of an APE that asks the DNR to act in its place.

The owner of a private marina may participate in the derelict vessel removal program by contracting with a local government APE. The contract between the marina and the APE must be approved by the DNR and require the marina to be responsible for the share of vessel removal not covered by the Derelict Vessel Removal Account (Account).

Taking Possession of Derelict Vessels. Prior to taking action on a vessel, an APE must attempt to notify the vessel's owner of its intent to remove the vessel. All notices must include specified information, including: the procedures that must be followed to reclaim possession of the vessel; possible financial liabilities; and the rights of the APE after custody of the vessel is claimed.

Once the APE takes custody of a vessel, the APE may use or dispose of the vessel in any environmentally sound manner. However, the APE must first attempt to derive some value from the vessel either in whole or scrap. If a value can be derived, then that amount will be subtracted from the financial liabilities of the owner. If the vessel has no salvageable value, then the APE must utilize the least costly disposal method.

The owner of a derelict or abandoned vessel is responsible for reimbursing the APE for all costs associated with the removal and disposal of the derelict or abandoned vessel. These costs include administrative costs and costs associated with any environmental damage caused by the vessel.

Appeals. A vessel owner appealing a local jurisdiction's possession of his or her vessel, or assessment of reimbursement owed, is required to appeal to the Pollution



Controls Hearing Board (PCHB) if the APE assuming custody is a state agency. Appeals to local jurisdictions must follow any locally-adopted appeals procedure. If the local jurisdiction has not established its own proceedings, then local appeals follow a procedure established for public ports related to abandoned vessels.

The Derelict Vessel Removal Account. Monies in the Account are used to reimburse the APEs, other than the State Parks and Recreation Commission (State Parks), for 90 percent of the costs associated with removing and disposing of abandoned or derelict vessels when the owner of the vessel is unknown or unable to pay (State Parks is reimbursed up to 70 percent). The APE may contribute its 10 percent of removal costs through in-kind services. Priority for use of the Account's funds must be given to the removal of vessels that are in danger of breaking up, sinking, presenting environmental risks, or blocking navigation channels. Prioritization guidelines are developed informally by the DNR.

Funding Vessel Removals. Most vessel owners in the state are required to annually register their vessels. The vessel registration program requires the payment of a \$2 derelict vessel removal fee. In addition, there is a \$1 derelict vessel surcharge dedicated to removing larger boats. This surcharge is set to expire on January 1, 2014.

If the balance of the Account exceeds \$1 million, then the DNR must contact the Department of Licensing and request that the collection of the \$2 derelict vessel removal fee be suspended.

**Summary:** Vessel Owner Accountability. Beginning on July 1, 2014, the owner or operator of a vessel that is more than 40 years old and longer than 65 feet must obtain a vessel inspection before transferring ownership of the vessel to another party. A copy of the inspection report must be provided to the transferee and the DNR. Failure to do so can result in the initial owner of the vessel being liable for some of the costs should the vessel eventually become abandoned or derelict. The DNR must work with interested parties to develop rules related to the inspection process.

Vessel Turn-in Program. The DNR is directed to develop and administer a turn-in program for soon-to-be derelict vessels. The purpose of the program is to enable the DNR to dismantle vessels that do not yet satisfy the definition of "derelict vessel" yet still pose a threat to becoming derelict or abandoned in the near future. The DNR is responsible for developing the standards and guidelines for the program, including participant eligibility. Eligible participants include private marina operators who have gained title to a vessel in an advanced state of disrepair and other Washington residents who own a vessel that is likely to soon become derelict and who does not have the needed resources to properly dispose of the vessel. Funding for the vessel turn-in program may come from the Account, but may not exceed \$200,000 per year.

Funding. The \$1 annual derelict vessel removal surcharge applied to each vessel registration is made permanent and will not expire in 2014. The DNR is directed to reevaluate the priority system of how Account funds are spent. The reevaluation must consider how vessels located in sensitive areas, including shellfish growing areas, must be prioritized.

The \$1 million cap on the Account, beyond which vessel registration surcharges related to derelict vessels are no longer collected, is removed. Limitations on the use of the \$1 annual derelict vessel removal surcharge related to boat size is also removed.

Moorage Facility Operators. If the moorage facility operator is the State Parks, the percentage of reimbursement from the Account is raised from 70 percent to 90 percent. If the moorage facility is a private sector venture, the scope of its access to funds in the Account is expanded from just removal costs to removal and disposal costs.

Transfer of Publically-Owned Vessels. New pre-transfer requirements are placed on vessels owned by state and local entities. Before the ownership of a publically-owned vessel can be transferred, a review of the vessel's seaworthiness must be completed. Any vessel deemed to be in an advanced state of deterioration must either be repaired before sale or permanently dismantled.

If the vessel is deemed seaworthy and approved for sale, the state or local entity processing the sale must collect certain information from the buyer. This includes information as to how the buyer intends to use the vessel and intent of legal moorage. The selling entity must also remove any hazardous materials from the vessel unless the materials are consistent with the buyer's intended use of the vessel. Any vessels leaving state or local ownership must have enough fuel on board to reach the buyer's initial intended destination.

These transfer requirements affect the following entities: the DNR; State Parks; the Department of Fish and Wildlife; the Department of Transportation; cities; counties; port districts; the Department of Ecology; the Department of Enterprise Services; and the state's institutions of higher education.

Enforcement. The current criminal enforcement mechanism for enforcing vessel registration requirements is changed to a class 2 civil infraction, which is subject to a maximum penalty of \$125.

A vessel owner appealing a local jurisdiction's possession of his or her vessel, or assessment of reimbursement owed, is required to follow the default state procedure at the PCHB if the local jurisdiction has not established its own proceedings. Once at the PCHB, all appeals may be heard by a single board member who may or may not be an administrative law judge employed by the PCHB.

Boarding Authority. All APEs and the Department of Ecology are given the authority to seek a warrant in order to board a vessel, mitigate risk, determine ownership, or

administer the laws relating to derelict and abandoned vessels. Any warrant, if required, must be obtained from the Thurston County Superior Court or the court in the county where the vessel is located. Warrants must be issued on a reasonable cause standard.

Legislative Report. The DNR is directed to work with stakeholders to evaluate the derelict vessel program and potentially suggest legislative changes. The DNR must include in its focus potential financial responsibility requirements for vessel owners, the responsibilities of moorage facility operators, and the identification of roadblocks to quicker vessel decommissioning.

**Votes on Final Passage:**

House	96	1	
Senate	44	3	(Senate amended)
House	95	2	(House concurred)

**Effective:** July 28, 2013  
 July 1, 2014 (Section 38)  
 June 30, 2019 (Section 34)

**ESHB 1247**

C 103 L 13

Modifying job skills program provisions.

By House Committee on Labor & Workforce Development (originally sponsored by Representatives Hansen, Warnick, Smith, Zeiger, Fey, Springer, Tharinger and Santos).

House Committee on Labor & Workforce Development  
 House Committee on Appropriations Subcommittee on Education

Senate Committee on Higher Education

**Background:** The Job Skills Program (JSP), created in 1983, provides short-term training customized to meet businesses' specific needs. The JSP awards grants to licensed educational institutions that work in partnership with business and industry to deliver training to new or current employees at the work site or in a classroom.

Financial support from business and industry must be equal to or greater than the amount of the grant, and may be in the form of cash or in-kind resources.

The JSP is administered by the State Board of Community and Technical Colleges (SBCTC). The SBCTC must work collaboratively with the Workforce Training Customer Advisory Committee to assure that the grant program meets certain statutorily established criteria. In addition, the JSP must give priority to applications that: (1) propose training of transferable skills; (2) coordinate with other cluster-based programs; (3) propose industry-based credentialing; (4) propose increased capacity for educational institutions that can be available to industry and students beyond the grant recipients; and (5) are from firms in strategic industry clusters as identified by the state or local areas.

**Summary:** The requirement that businesses financially match the amount of the JSP grant is changed. The contributing financial support from businesses having an annual gross business income of less than \$500,000 may be at least equal to the trainees' salaries and benefits while in training rather than equal to or greater than the JSP grant. Annual gross income is based on the income reported to the Department of Revenue for the previous fiscal year.

Two criteria in the priority list are replaced. Priority will be given to proposals for training that provides college credit or leads to a recognized industry credential (rather than training that leads to transferable skills) and to applications from consortia of colleges or consortia of employers (rather than applications proposing industry-based credentialing). The SBCTC must make an annual report to the Legislature regarding the implementation of the JSP.

**Votes on Final Passage:**

House	98	0
Senate	46	0

**Effective:** July 28, 2013

**ESHB 1253**

C 196 L 13

Concerning the lodging tax.

By House Committee on Finance (originally sponsored by Representatives Blake, Orcutt, Takko, Dahlquist, Haigh, Hunt, Walsh, Lytton, Nealey, Morris, Hudgins, McCoy, Zeiger, Maxwell, Pettigrew, Bergquist, Van De Wege, Upthegrove and Freeman).

House Committee on Finance  
 Senate Committee on Trade & Economic Development  
 Senate Committee on Ways & Means

**Background:** Lodging Tax. A hotel-motel tax is a special sales tax on lodging rentals by hotels, motels, rooming houses, private campgrounds, RV parks, and similar facilities. Cities and counties are authorized to levy a basic, or state-shared hotel-motel tax of up to 2 percent. These taxes are credited against the state sales tax on the furnishing of lodging. Other hotel-motel taxes are imposed in addition to ordinary state and local sales taxes and are added to the amount paid by the customer. The latter type is often referred to as special hotel-motel taxes.

Initially authorized in 1967 to provide King County with a funding source for the building of the Kingdome, the state-shared lodging tax was incrementally expanded over the years to cover additional cities, counties and fund uses. The additional (special) lodging tax was initially authorized in 1982. In 1997 the Legislature repealed the assortment of multiple uses for the lodging tax and instead required the future revenues to be used for tourism-related purposes.

Attorney General Opinion 2006 No. 4. In 2006 the Attorney General issued a formal opinion (AGO) regard-

ing the utilization of lodging tax revenues. Three questions were posed and answered:

1. Must a municipality have an ownership interest in a tourism-related facility in order to allocate lodging tax revenues for its operation?
2. May a municipality spend lodging tax revenues on operating expenses of special events and festivals designed to attract tourists, which are operated by non-municipal entities?
3. May a municipality enter into contracts with tourism promotion agencies that provide advance payment of hotel-motel revenues for tourist promotion?

Citing lack of legislative clarity and action since the last AGO (AGO 2000 No. 9) on this subject, the Attorney General (AG) opined that there must be some governmental interest in the facilities receiving lodging tax funds. However, there was nothing prohibiting the Legislature from amending the statute to allow municipalities to expend lodging tax receipts on the operations of non-government owned facilities.

The lodging statute limited the use of lodging taxes on special events and festivals designed to attract tourists to marketing activities only. The AG concluded that there was no statutory exception to this express limitation of fund use. For a period in the 1990s municipalities were allowed to use the proceeds directly for the funding of special events or festivals; however, limiting language was adopted in 1997. The AG also concluded that advance payment of lodging tax revenues to tourist promotion agencies for tourist promotion activities was prohibited under RCW 42.24.080. This statute requires that all claims presented against a municipality for any contractual purpose must be audited prior to payment.

Recent Legislation. In 2007, in response to the AGO, several changes were made to the lodging tax laws.

The permissible uses of lodging tax revenues were expanded to include expenditures for operations related to tourism promotion, including operations related to special events and festivals.

The definition of "tourism-related facility" was broadened to include property owned by various types of non-profit organizations.

Local jurisdictions using lodging tax revenues were required to submit an annual economic impact report providing information on the amount and use of lodging tax revenues to the Department of Commerce. The Joint Legislative Audit and Review Committee (JLARC) was required to report to the Legislature by September 1, 2012, on the use and economic impact of lodging tax revenues.

All of these changes expire on June 30, 2013.

**Summary:** The June 30, 2013, expiration date is removed. Therefore, lodging tax revenues may continue to be used for the operations related to tourism promotion, including operations related to special events and festivals. Nonprofit organizations may continue to own "tourism-related facilities." Lodging tax revenues may be used

for capital expenditures for tourism-related facilities owned or operated by municipalities or public facility districts.

Jurisdictions no longer have to provide an annual report of the use of lodging tax revenues to the Department of Commerce. However, an organization applying to a local jurisdiction for use of lodging tax revenues must include an estimate regarding benefits resulting from the use of such revenues, and in jurisdictions with a population of 5,000 or more, must also provide the application to the local lodging tax advisory committee. A post-event report must be submitted to the local jurisdiction evaluating the actual benefits from the estimated benefits in the application. The definition of tourist is removed.

**Votes on Final Passage:**

House	71	26	
Senate	47	1	(Senate amended)
House	90	7	(House concurred)

**Effective:** July 1, 2013

**SHB 1256**

C 104 L 13

Addressing project selection by the freight mobility strategic investment board.

By House Committee on Transportation (originally sponsored by Representatives Fey, Orcutt, Tarleton, Jinkins and Morrell; by request of Freight Mobility Strategic Investment Board).

House Committee on Transportation  
Senate Committee on Transportation

**Background:** The Freight Mobility Strategic Investment Board (FMSIB) was created by the Legislature in 1998 to implement the state's freight mobility strategic investment program. The FMSIB was directed to solicit, review, evaluate, and prioritize freight projects from public entities. The list of prioritized freight projects was then submitted to the Office of Financial Management (OFM) and the Legislature as part of its budget request. The FMSIB is comprised of 12 members representing various aspects of the state and transportation system including cities, counties, ports, railroads, trucking, shipping, the general public, the OFM, and the Washington State Department of Transportation. The FMSIB administers two freight mobility accounts in the state treasury: the Freight Mobility Investment Account; and the Freight Mobility Multimodal Account. Both accounts receive a statutory transfer of \$6 million each biennium.

In January 2011 the Joint Transportation Committee completed a "Local Agency Efficiencies" study which evaluated funding and services offered by four state agencies providing local transportation services and included the FMSIB. One recommendation from the study stated the FMSIB should be given the ability to finalize its proj-

ect list without legislative approval; this would speed project implementation and put the FMSIB more in line with other agencies that provide local transportation services.

**Summary:** The requirement that the FMSIB submit its project list to the OFM and the Legislature as part of its budget request is removed. Additional references to a submitted project list as part of the budget process are also removed.

The Freight Mobility Investment Account and the Freight Mobility Multimodal Account, the two accounts the FMSIB administers for its capital program, are each modified to allow expenditures only to be used for freight mobility projects that have been approved by the FMSIB.

**Votes on Final Passage:**

House	88	9
Senate	46	1

**Effective:** July 28, 2013

## SHB 1261

C 105 L 13

Establishing a resource and assessment center license for agencies to provide short-term emergency and crisis care for children removed from their homes.

By House Committee on Early Learning & Human Services (originally sponsored by Representatives Hope and Santos).

House Committee on Early Learning & Human Services  
Senate Committee on Human Services & Corrections

**Background:** The Department of Social and Health Services (DSHS) has the authority to establish licensing requirements for foster homes and other agencies or entities that provide care for children residing in out-of-home placements. Resource and assessment centers provide immediate placement and care for children who have been removed from their homes for up to seven days. Resource and assessment centers have entered into an agreement with regional DSHS offices to provide emergency or crisis care to children. Resource and assessment centers are not formally licensed by the DSHS.

**Summary:** A licensing category is created for a program called resource and assessment centers. Resource and assessment centers provide emergency placement and care for children birth to 12 years of age who have been removed from their homes because of child maltreatment. A resource and assessment center may provide placement for a child over 12 years of age, if the child has a sibling under age 13 who is also placed in the receiving care center.

In order to be a licensed resource and assessment center, programs must demonstrate the following: there is a need for a resource and assessment center in the local community; the resource and assessment center is primarily staffed by trained volunteers; and the resource and assess-

ment center is not financially dependent on reimbursement for the state to operate.

When adopting licensing rules, the DSHS must allow for flexibility in operating hours for resource and assessment centers and provide centers the ability to operate in a residential area. Resource and assessment centers may operate for up to 24 hours, seven days a week. Resource and assessment centers may not be utilized to address placement disruptions for children who have been removed from a foster home because of behavior or safety concerns.

**Votes on Final Passage:**

House	97	0
Senate	48	0

**Effective:** July 28, 2013

## SHB 1265

C 170 L 13

Modifying provisions in the forms for traffic infraction notices.

By House Committee on Transportation (originally sponsored by Representatives Freeman, Rodne, Goodman and Ryu).

House Committee on Transportation  
Senate Committee on Transportation

**Background:** A failure to follow the rules of the road, and equivalent local laws, is generally a traffic infraction, which is not classified as a criminal offense. A law enforcement officer may issue a notice of a traffic infraction when the infraction was committed in the officer's presence, at the request of another officer in whose presence the infraction was committed, if the officer has reasonable cause to believe that a driver involved in an accident has committed a traffic infraction, or through the use of automated safety cameras. This notice may also be affixed to a vehicle in certain circumstances. A notice of traffic infraction represents a determination that an infraction has been committed; this determination is final unless it is contested by the violator.

A traffic infraction carries a fine of up to \$250; however, if a person fails to respond to a notice of a traffic infraction, the Department of Licensing (DOL) will institute proceedings to suspend the driver's license. Starting July 1, 2013, the DOL is not obligated to suspend a driver's license for the driver's failure to respond to a traffic infraction, if that infraction was a non-moving violation. Similarly, the DOL is not obligated to suspend a driver's license for the driver's failure to appear at a requested hearing for a non-moving violation. The text of the notice of a traffic infraction states that a person's driver's license "will be suspended" if that person fails to respond to the notice within 15 days. The text also states that a person's failure to appear at a hearing requested by that person "will result in the suspension" of that person's driver's license.

## SHB 1270

**Summary:** The text of a notice of infraction is changed to reflect a change in the law. The new text of a traffic infraction notice states only that the DOL "may" suspend a driver's license for failure to respond to the notice or appear at a requested hearing. These changes must be included on every traffic infraction notice form that is to be used after July 1, 2015. After that date, law enforcement agencies may not use any remaining noncomplying forms.

**Votes on Final Passage:**

House	98	0	
Senate	48	0	(Senate amended)
House	95	0	(House concurred)

**Effective:** July 28, 2013

- issue dentist licenses;
- determine whether military experience is substantially equivalent to state licensing standards; and
- determine license renewal requirements.

**Summary:** The BOD is made the disciplining authority for licensed denturists under the UDA. Denturist-related duties assigned to the Secretary of Health are given to the BOD, except for the issuance of licenses.

**Votes on Final Passage:**

House	97	0
Senate	46	0

**Effective:** July 28, 2013  
July 1, 2016 (Section 8)

## SHB 1270

C 171 L 13

Making the board of denturists the disciplining authority for licensed denturists.

By House Committee on Health Care & Wellness (originally sponsored by Representatives Morrell, Schmick, Green, Harris, Cody and Ryu).

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

**Background:** Licensed denturists are authorized to:

- make, place, construct, alter, reproduce, or repair a denture; and
- take impressions and furnish or supply a denture directly to a person or advise the use of a denture, and maintain a facility for the same.

To be licensed, a denturist must either:

- graduate from an approved educational program and pass an examination; or
- be licensed in another state and provide proof of passage of an examination.

The Board of Denturists (BOD) consists of seven members: four licensed denturists, two persons who are not affiliated with any health profession at least one of whom must be over the age of 65, and one licensed dentist.

The BOD's duties include:

- determining the qualifications of applicants;
- prescribing, administering, and determining the requirements for examinations;
- adopting rules;
- providing requirements for continuing competency; and
- evaluating and approving schools from which graduation is acceptable proof of an applicant's fulfillment of the required coursework for licensure.

The Secretary of Health is the disciplining authority for licensed denturists under the Uniform Disciplinary Act (UDA). In addition to his or her duties under the UDA, the Secretary of Health must:

## SHB 1271

C 172 L 13

Concerning the practice of denturism.

By House Committee on Health Care & Wellness (originally sponsored by Representatives Jinkins, Johnson, Morrell, Green, Harris, Cody, Ryu and Tharinger).

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

**Background:** Licensed denturists are authorized to:

- make, place, construct, alter, reproduce, or repair a denture; and
- take impressions and furnish or supply a denture directly to a person or advise the use of a denture, and maintain a facility for the same.

To be licensed, a denturist must either:

- graduate from an approved educational program and pass an examination; or
- be licensed in another state and provide proof of passage of examination.

In 2012 the Department of Health (DOH) conducted a sunrise review to determine whether the scope of practice of denturists should be broadened to include:

- making, placing, constructing, altering, reproducing, or repairing all non-orthodontic removable oral devices; and
- teeth whitening using bleaching solutions of 20 percent or less.

The DOH concluded that denturists should be allowed to fabricate and fit mouth guards for teeth grinding (bruxism) or sports mouth guards if:

- adequate training standards are set in law;
- a dentist examines the patient prior to the fitting or fabrication of a bruxism device to ensure that there is no temporomandibular disorder;
- a patient fitted with a mouth guard for bruxism is required to visit a dentist for follow-up; and

- a patient fitted with a mouth guard for bruxism is encouraged in writing to have regular dental check-ups and to identify any adverse effects of bruxism or from the device.

The DOH also concluded that:

- denturists should be allowed to provide teeth whitening trays and over-the-counter solutions for the patient's use at home if the patient is encouraged in writing to have regular dental checkups; and
- denturists should be allowed to take impressions and order removable cosmetic appliances regardless of whether the patient is missing teeth.

The DOH review recommended against expanding the denturist scope of practice to include any other non-orthodontic removable oral devices because such devices may lead to denturists treating obstructive sleep apnea.

**Summary:** A licensed denturist may:

- make, place, construct, alter, reproduce, or repair all the following non-orthodontic removable oral devices, excluding devices to treat obstructive sleep apnea or temporomandibular joint dysfunction, when accompanied by written encouragement to have regular dental checkups with a licensed dentist:
  - bruxism devices;
  - sports mouth guards;
  - removable cosmetic appliances, regardless of whether the patient is missing teeth; and
  - snoring devices, only after a physician has ruled out snoring associated with sleep breathing disorders, including obstructive sleep apnea; and
- provide teeth whitening services, including fabricating whitening trays, provide whitening solutions determined to be safe for public use, and provide required follow-up care and instructions for use of the trays and solutions at home.

Prior to being allowed to provide any of these services, a licensed denturist must provide documentation of education and training in providing the services, to be determined by rules adopted by the Board of Denturists.

**Votes on Final Passage:**

House	90	7
Senate	46	0

**Effective:** July 1, 2014

**HB 1277**

C 120 L 13

Concerning tribes holding conservation easements.

By Representatives Sawyer, Zeiger, McCoy, Angel, Appleton, Morris, Kirby, Maxwell, Santos, Liias, Tarleton, Freeman, Morrell, Riccelli, Wilcox, Lytton, Jinkins, Ryu, Dahlquist, Fey, Pollet and Ormsby.

House Committee on Community Development, Housing & Tribal Affairs

Senate Committee on Natural Resources & Parks

**Background:** A "conservation easement" is a commonly used term to refer to a property interest that limits the future use or development of property in order to preserve the natural condition of the land. Certain government and nonprofit entities may purchase or acquire an interest in qualifying open space, farm or agricultural land, or timber land in order to protect, preserve, maintain, improve, restore, limit the future use, or otherwise conserve the land for public use or enjoyment.

The ownership of a conservation easement is classified as real property. Eligible entities, including state and federal agencies, may hold such a right or interest as real property. Real property purchased or acquired by a federally recognized tribe outside of its reservation generally is held in fee and subject to state property laws.

**Summary:** Federally recognized tribes are included in the list of recognized entities that may acquire and hold a conservation easement or other similar future interest in land as real property.

**Votes on Final Passage:**

House	75	22
Senate	48	0 (Senate amended)
House	73	21 (House concurred)

**Effective:** July 28, 2013

**SHB 1284**

C 173 L 13

Concerning the rights of parents who are incarcerated.

By House Committee on Early Learning & Human Services (originally sponsored by Representatives Roberts, Walsh, Kagi, Sawyer, Goodman, Freeman, Farrell, Appleton, Ryu, Reykdal, Santos and Habib).

House Committee on Early Learning & Human Services  
Senate Committee on Human Services & Corrections  
Senate Committee on Ways & Means

**Background:** *Dependent Child.* A dependent child is any child who has been abandoned, abused, or neglected by a person who is legally responsible for the care of the child. A dependent child is also a child who has no parent, guardian, or person capable of adequately caring for the child,

such that the child is in danger of substantial damage to his or her psychological or physical development.

A court may order law enforcement, a probation counselor, or a child protective services official to take a child into custody if a petition is filed alleging that the child is dependent and that the child's health, safety, and welfare will be seriously endangered if the child is not taken into custody. In support of the petition, the Department of Social and Health Services (DSHS) must file an affidavit that sets forth specific factual information that is the basis for the petition. To order that the child be taken into custody, the court must find, after reviewing the petition and affidavit, reasonable grounds to believe that the child is dependent and that the child's health, safety and welfare will be seriously endangered if the child is not taken into custody.

*Shelter Care Hearing.* When a child is taken into custody, the court is to hold a shelter care hearing within 72 hours. The primary purpose of the shelter care hearing is to determine whether the child can be immediately and safely returned home while the dependency case is being resolved.

*Case Conference.* A case conference must be convened after a shelter care hearing to develop a written agreement regarding the expectations of the DSHS and the parent regarding voluntary services for the parent.

*Dependency Trial.* The court must conduct a trial to determine whether the allegations that a child is dependent can be shown by a preponderance of the evidence. If at the end of the dependency trial the burden of proof is met, the court's findings form the basis for the case plan, which includes services, placement of the child, and visitation. The content of the case plan is the basis for determining what steps need to be taken before a child may return safely home. If the burden of proof is not met, the dependency is dismissed and the child is returned to the custody of the parent.

*Disposition Orders.* If the child is found to be dependent, the court must issue a disposition order directing the service plan for the parents and the child, a visitation plan, and, eventually, a permanent plan. The court's order sets the benchmarks and expectations for the parties. If the court determines that reunifying the family is not in the best interests of the child, the child may be placed with a relative, a foster family, group home, or other suitable place.

After the court issues a disposition order, review hearings are held. The court then makes findings regarding compliance and progress by the parents, child, and other parties to the dependency. If after a review hearing, a child remains out of the home, the court must establish a date by which the child will have a permanent plan for care. The court must also determine whether reasonable efforts have been made to provide services to the family, whether there has been compliance with the case plan, whether progress has been made toward correcting the problems that led to the removal of the child from the parents' home, and whether the parents have visited the child.

*Termination of Parental Rights.* The court, under certain circumstances, may order the filing of a petition for the termination of parental rights. The court may exercise this discretion if it finds that "aggravated circumstances" exist, including the failure of a parent to complete available treatment ordered where such failure resulted in the prior termination of parental rights, and the parent has failed to effect change in the interim. A party to the dependency action may also file a petition for the termination of parental rights.

If a child has been in out-of-home care for 15 of the most recent 22 months, the court must order the DSHS to file a petition for termination of parental rights, unless the court finds a "good cause exception." Good cause exists if: (1) the DSHS has failed to provide the child's family with services that the DSHS and the court have determined are necessary for the child's safe return home; or (2) the DSHS has documented compelling reasons that filing a petition to terminate parental rights would not be in the child's best interest.

**Summary:** *Case Conference.* A parent who is unable to participate in a case conference in person because he or she is incarcerated must be afforded the option to participate by a telephone conference or a videoconference.

*Permanency Planning.* The requirements in a permanency plan that a parent must meet to resume custody of a child must address the special circumstances of a parent who is incarcerated. This includes addressing how the parent will participate in the case conference and permanency planning meetings. Where possible, treatment must reflect the resources available at the facility where the parent is confined. Visitation must be provided for unless it is not in the best interest of the child.

*Discretionary Petition for Termination of Parental Rights.* In determining whether a parent has failed to complete court-ordered treatment, the court must consider constraints that a parent experienced by a current or prior incarceration. The constraints considered may include delays or barriers experienced by the parent. The court may also consider whether the parent has maintained a meaningful role in the child's life and whether the DSHS has made reasonable efforts to assist the parent. Where there has been a claim of aggravated circumstances, the court may consider rebuttal evidence of whether barriers existed for the parent.

When a parent who is sentenced to long-term incarceration has maintained a meaningful role in his or her child's life, the DSHS should, but is not required to, seek a permanent placement that allows the parent to maintain a relationship with his or her child, such as a guardianship.

*Mandatory Petition for Termination of Parental Rights.* Good cause exceptions to filing a mandatory petition for termination of parental rights include circumstances where a current or prior incarceration is a significant factor in why a child has been in foster care for 15 of the last 22 months, as long as the parent has maintained a

meaningful role in the child's life. In determining whether the parent has maintained a meaningful role in a child's life, the court may consider the parent's lack of access to programs, services, treatment, legal counsel, or court proceedings. The court may also consider as a good cause exception any delays or barriers to completion of court-mandated treatment caused by incarceration.

**Votes on Final Passage:**

House	96	1	
Senate	47	1	(Senate amended)
House	95	0	(House concurred)

**Effective:** July 28, 2013

**ESHB 1291**

C 121 L 13

Concerning services for victims of the sex trade.

By House Committee on Public Safety (originally sponsored by Representatives Orwall, Kochmar, Hope, Parker, Goodman, Jinkins, Upthegrove, Ryu, Stanford, Roberts, Hurst, Morrell, Tarleton, Wylie, Bergquist and Ormsby).

House Committee on Public Safety

House Committee on Appropriations Subcommittee on General Government

Senate Committee on Law & Justice

**Background:** Fees Related to Prosecutions for Prostitution-Related Offenses. A person who is convicted, given a deferred sentence or a deferred prosecution, or has entered into a diversion agreement as a result of an arrest for an offense relating to prostitution or commercial sexual abuse of a minor shall be assessed a fee, in addition to any other criminal penalties.

Before 2012 the fees imposed had been deposited in the Prostitution Prevention and Intervention Account (PPIA) under the Department of Commerce (Department). The funds were administered by the Office of Crime Victims Advocacy and used to: (1) support programs that provided mental health and substance abuse counseling, parenting skills training, housing relief, education, and vocational training for youth who have been diverted for a prostitution or prostitution loitering offense; (2) fund services provided to sexually exploited children in crisis residential centers with access to trained staff; (3) fund services for sexually exploited children; and (4) fund a grant program to enhance prostitution prevention and intervention services.

In 2012 the Legislature increased the amount of the additional fees related to prosecutions for Trafficking, Patronizing a Prostitute, Promoting Prostitution, and Permitting Prostitution. Additionally, the fees assessed were diverted to the city or county where the offense occurred to be used for local efforts to reduce the commercial sale of sex, including increased enforcement of commercial sex laws. At least 50 percent of the funds are required to

be spent on preventative programs including "john schools" for offenders and rehabilitative services, such as mental health and substance abuse counseling, parenting skills, vocational training, and housing relief.

Below is the fee schedule:

Offense	Fee
Indecent Exposure	\$50
Prostitution	\$50
Permitting Prostitution	\$1,500 (first offense) \$2,500 (second offense) \$5,000 (third offense)
Patronizing a Prostitute	\$1,500 (first offense) \$2,500 (second offense) \$5,000 (third offense)
Promoting Prostitution	\$3,000 (first offense) \$6,000 (second offense) \$10,000 (third offense)
Commercial Sexual Abuse of a Minor	\$5,000
Promoting Commercial Sexual Abuse of a Minor	\$5,000
Promoting Travel for Commercial Sexual Abuse of a Minor	\$5,000

Vehicle Impoundment Related to Prostitution-Related Offenses. A local governing authority may designate areas within which vehicles are subject to impoundment when they are used to facilitate the following prostitution-related offenses: Patronizing a Prostitute, Promoting Prostitution in the first degree, Promoting Prostitution in the second degree, Promoting Travel for Prostitution, Commercial Sexual Abuse of a Minor, Promoting Commercial Sexual Abuse of a Minor, and Promoting Travel for Commercial Sexual Abuse of a Minor. The arresting law enforcement officer may impound the person's vehicle if: (1) the vehicle was used in the commission of the crime; and (2) the person arrested is the owner of the vehicle or the vehicle is a rental car. A prior conviction of a prostitution-related offense is a requirement for impoundment if the offense was committed in an undesignated area.

A prior conviction of a prostitution-related offense is not a requirement for impoundment if the offense was committed within a designated area. The designation must be based on evidence indicating that the area has a disproportionately higher number of arrests for prostitution-related offenses compared to other areas within the same jurisdiction of the local governing authority. The local governing authority must post signs at the boundaries of the designated areas to indicate that the area has been designated.

Prior to redeeming an impounded vehicle, the owner must pay all applicable impoundment, towing and storage fees, and a fine of \$500 for offenses related to Prostitution, or \$2,500 for offenses related to Commercial Sexual Abuse of a Minor. The impounding agency collects the fine and issues a receipt to the owner of the vehicle. To re-



deem an impounded vehicle, the owner must provide the receipt to the towing company and pay all impoundment, towing, and storage fees. A towing company that relies on a forged receipt to release an impounded vehicle is not liable for any unpaid fine.

A person is entitled to a full refund of the impoundment, towing and storage fees, and the fine if he or she substantially prevails in a proceeding to challenge the validity of an impoundment or is found not guilty of a prostitution-related offense at trial. Any refund is paid by the impounding authority upon proof of payment.

The fees paid to the impounding agency must be paid to the PPIA.

**Summary:** The additional fees imposed for a vehicle impound stemming from an arrest for an offense relating to Prostitution or Commercial Sexual Abuse of a Minor are diverted from the Prostitution Prevention and Intervention Account (PPIA) to the city or county where the offense occurred to pay for local efforts to reduce the commercial sale of sex, including both increased enforcement and rehabilitative services for victims.

Two percent of all funds stemming from fees or fines relating to prosecution of prostitution offenses or prostitution-related vehicle impounds must be remitted to the Department of Commerce (Department), together with an accounting of the receipt and expenditure of the funds. The Department will then use the remitted funds to pay for analysis of that data and preparation of an annual report to the Legislature. Any excess funds may be spent in the administration of grants for services of victims of the commercial sex trade.

A statewide coordinating committee on sex trafficking (Committee) is created, with the following duties: (1) gathering and assessing service practices from diverse sources regarding service demand and delivery; (2) analyzing data regarding the implementation of sex trafficking legislation passed in recent years by the Legislature, including reports submitted to the Department under the act and assessing the efficacy of such legislation in addressing sex trafficking, as well as any obstacles to the impact of legislation on the commercial sex trade; (3) receiving and reviewing reports, recommendations, and statewide protocols as implemented in the pilot sites selected by the Center for Children and Youth Justice; and (4) gathering and reviewing existing data, research, and literature to help shape a plan of action to address human trafficking in Washington to include strategies for Washington to undertake to end sex trafficking and necessary data collection improvements.

The Committee is funded from the PPIA and will expire June 30, 2015, after providing a report and statewide plan to end sex trafficking in Washington to the Legislature and the Governor by December 2014.

This act additionally clarifies two provisions of legislation enacted:

- it specifies that the rehabilitative services funded through the fees must be spent on victims of the sex trade; and
- it authorizes the court to allow offenders to pay the additional fees through scheduled periodic payments.

**Votes on Final Passage:**

House	97	0	
Senate	47	0	(Senate amended)
House	94	0	(House concurred)

**Effective:** July 28, 2013

**E2SHB 1306**

C 21 L 13 E2

Extending the expiration dates of the local infrastructure financing tool program.

By House Committee on Finance (originally sponsored by Representatives Wylie, Moeller, Harris, Pike, Johnson, Chandler, Sells, Pollet, Upthegrove and Moscoso).

House Committee on Technology & Economic Development

House Committee on Finance

Senate Committee on Ways & Means

**Background:** In 2006 the Local Infrastructure Financing Tool (LIFT) program was created and made available to certain local governments for financing local public improvement projects intended to encourage economic development or redevelopment. As part of the LIFT program, a sponsoring local government (a city, town, county, or federally recognized Indian tribe) creates a "revenue development area" from which annual increases in revenues from local sales and use taxes and local property taxes are measured. Such increases in revenues and any additional funds from other local public sources are then used to pay for public improvements in the revenue development area and are also used to match a state contribution.

State funding for the LIFT program is provided through a credit against the state sales and use tax. The sponsoring local government is allowed to retain a certain amount of state sales and use tax revenue that would otherwise be deposited in the State General Fund. The maximum state contribution that a sponsoring local government may receive each year is limited to the lesser of:

- \$1 million;
- the amount of the project award;
- the amount of local matching funds dedicated to the payment of the public improvements or bonds in the previous calendar year; or
- the highest amount of incremental state sales and use and state property tax revenues for any one calendar year.

## SHB 1307

C 74 L 13

The local funds and state contribution are used for the payment of bonds issued for financing local public improvements within the revenue development area. The public improvements may be financed on a pay-as-you-go basis but only for the first five years of the state contribution. Sponsoring local governments must issue bonds by the end of the fifth fiscal year that the state sales tax revenue is retained. State sales taxes cannot be retained by a sponsoring local government for the LIFT program for more than 25 years.

The maximum statewide contribution for all of the LIFT projects is capped at \$7.5 million per year. Nine projects have been awarded state contributions under the LIFT program. The projects are located in Bellingham, Bothell, Everett, Federal Way, Mount Vernon, Puyallup, Vancouver, Yakima, and Spokane County.

The application process for the LIFT program is closed. The expiration date for the LIFT program is June 30, 2039.

**Summary:** The expiration date of the Local Infrastructure Financing Tool (LIFT) program is extended from June 30, 2039, to June 30, 2044.

The requirement that a sponsoring or cosponsoring local government issue indebtedness to finance the costs of public improvements is removed. The sponsoring or cosponsoring local government must commence construction of a public improvement project by June 30, 2017, to receive a state sales and use tax credit.

The Department of Revenue's (Department) determination of the amount of the state contribution is final and conclusive, and may only be changed if the Department later finds that local revenue information reported by a local government differs from the actual amount of dedicated local revenue. If a discrepancy is found, the Department must adjust its determination accordingly.

"Dedicated" is defined to mean pledged, set aside, allocated, received, budgeted, or otherwise identified.

The sponsoring local government's annual report to the Community Economic Revitalization Board and Department must additionally include local revenues received by any cosponsoring and participating local governments for the LIFT-related public improvements.

**Votes on Final Passage:**

House	81	16	
Senate	45	2	(Senate amended)

**Second Special Session**

House	73	14
Senate	43	4

**Effective:** September 28, 2013

Concerning sexual assault protection orders.

By House Committee on Judiciary (originally sponsored by Representatives Goodman, Lytton, Wylie, Jinkins, Cody, Roberts, Santos and Moscoso).

House Committee on Judiciary  
Senate Committee on Human Services & Corrections

**Background:** A person may petition for a sexual assault protection order if he or she has been subjected to one or more incidents of nonconsensual sexual conduct or penetration that gives rise to a reasonable fear of future dangerous acts. These orders provide a remedy for victims of sexual assault who do not qualify for a domestic violence protection order. Orders last for a fixed time not to exceed two years.

*Guardians ad Litem.* A petitions for a sexual assault protection order may be filed by the victim or by another person on behalf of a victim who is a minor or vulnerable adult. A minor who is at least 16 years old may petition for a sexual assault protection order on their own without a guardian ad litem or next friend. The court may, but is not required to, appoint a guardian ad litem for a petitioner or respondent who is a minor, but is at least 16 years old.

*Service of Process.* The respondent must be personally served with the petition and notice of the hearing not less than five court days prior to a full hearing on an initial petition for a sexual assault protection order, or a hearing for renewal or modification of an existing order. If timely service cannot be made, the court must set a new hearing date and require additional attempts to personally serve the respondent. Final orders must also be personally served on the respondent. If an order recites that the respondent was present in court when the order was entered, further proof of service is unnecessary.

The court may issue an ex parte temporary protection order pending the hearing. The temporary order is effective for a fixed period not to exceed 14 days from the issuance of the temporary order.

*Motion for Renewal.* Any sexual assault protection order, whether it is final or temporary, may be renewed. If the renewal is uncontested and no modification is sought, the order may be renewed on the basis of a motion or affidavit stating that there has been no material change in relevant circumstances. Renewals may only be granted in open court.

**Summary:** *Guardians ad Litem.* If the court appoints a guardian ad litem for either the petitioner or the respondent, the appointment is at no cost to either party.

*Service of Process.* Respondents may be served by publication or mail in certain situations. The court cannot require more than two unsuccessful attempts at personal service of an initial petition prior to permitting service by publication or mail, unless the petitioner requests further

attempts to personally serve. If service by publication or mail is permitted, the hearing date is set for no more than 24 days from the date of the order. If a temporary ex parte order is in place the court must reissue the temporary order to cover the lengthened time for service.

The same rules allowing service by publication or mail for initial petitions also apply to petitions for renewal and modification, and to the service of final orders.

The court may order service by publication if:

- the serving sheriff or municipal peace officer has filed an affidavit stating that personal service could not be made;
- the petitioner has filed an affidavit stating that the petitioner believes the respondent is hiding from service;
- the server has mailed a copy of the summons, in a form laid out in statute, notice of the hearing, and a copy of the ex parte order to the respondent's last known address, if any; and
- the court has found that reasonable grounds exist to believe that the respondent is hiding from service, and further attempts to personally serve would be futile.

Service by publication must be made in one of the three most widely circulated newspapers in the county in which the petition was brought, and the county of the respondent's last known address, once per week for three consecutive weeks.

If the circumstances warranting service by publication are present, and the serving party files an affidavit from which the court determines that service by mail is just as likely to give actual notice to the respondent as would service by publication, the court may order service by mail. Any nonparty over 18 years old who is competent to be a witness may complete service by mail by mailing copies of the order and other process to the respondent at his or her last known address, or other appropriate address as determined by the court. Two copies must be mailed, one by ordinary first-class mail, and the other by a form requiring a signed receipt showing when and to whom it was delivered.

*Motion for Renewal.* If a motion for renewal is contested, the court must order a hearing to occur no more than 14 days from receipt of the motion, or 24 days if the court has allowed service by publication or mail. The court may schedule a hearing by telephone pursuant to local court rule, to reasonably accommodate a disability or, in exceptional circumstances, to protect the petitioner from further assault.

**Votes on Final Passage:**

House	92	0
Senate	48	0

**Effective:** July 28, 2013

Making coverage of certain maritime service elective for purposes of unemployment compensation.

By Representatives Chandler, Sells and Moscoso.

House Committee on Labor & Workforce Development  
Senate Committee on Commerce & Labor

**Background:** Most employment is covered for purposes of unemployment insurance. With respect to maritime employment, an individual's service as an officer or crew member of an American vessel is covered, wherever the service is performed, if the employer maintains in Washington at the beginning of the pay period an operating office from which the vessel's operations are ordinarily and regularly supervised, managed, directed, and controlled.

**Summary:** Certain maritime employment is excluded from mandatory unemployment insurance coverage. Employment does not include services performed by an individual on a boat engaged in catching fish or other forms of aquatic animal life for which the individual receives a share of the boat's catch (or the catch of multiple boats if the fishing operation involves more than one boat), or a share of the proceeds from the sale of the catch, and the amount of the individual's share depends on the amount of the boat's or boats' catch. The exclusion applies only if the operating crew of the boat, or each boat from which the individual receives a share, is normally made up of fewer than 10 individuals. In addition, the individuals must not receive any other cash remuneration.

An employer may elect coverage for the excluded individuals.

**Votes on Final Passage:**

House	96	0
Senate	45	3

**Effective:** July 28, 2013

Recognizing a welcome home Vietnam veterans day.

By Representatives Johnson, McCoy, Ross, Hunt, Rodne, Orwall, Green, Jinkins, Upthegrove, Chandler, Orcutt, Pedersen, Vick, Roberts, Alexander, Klippert, Holy, Short, Morrell, Smith, Buys, Kochmar, Liias, Moeller, Appleton, Angel, Zeiger, O'Ban, Wilcox, Hurst, Van De Wege, Shea, Fagan, Bergquist, Moscoso, Tarleton, Freeman and Fey.

House Committee on Government Operations & Elections  
Senate Committee on Governmental Operations

**Background:** A variety of dates are specially recognized in Washington without being considered legal holidays. For example, August 7 is recognized as Purple Heart Re-

ipient Recognition Day and December 7 is Pearl Harbor Remembrance Day.

On August 10, 1990, the 101st Congress passed U.S. Public Law 101-355, which recognized the National League of Families' (League) POW/MIA flag and designated it "as the symbol of our Nation's concern and commitment to resolving as fully as possible the fates of Americans still prisoner, missing and unaccounted for in Southeast Asia, thus ending the uncertainty for their families and the Nation."

Public entities are required to display the League's POW/MIA flag on the following days:

- Armed Forces Day (third Saturday in May);
- Memorial Day (last Monday in May);
- Flag Day (June 14);
- Independence Day (July 4);
- National Korean War Veterans Armistice Day (July 27);
- National POW/MIA Recognition Day (third Friday in September); and
- Veterans' Day (November 11).

"Public entity" means every state agency, including each institution of higher education, and every county, city, and town.

**Summary:** March 30 is recognized as Welcome Home Vietnam Veterans Day, but is not considered a legal holiday for any other purpose. Public entities must fly the National League of Families' POW/MIA flag on that date.

**Votes on Final Passage:**

House	97	0
Senate	48	0

**Effective:** July 28, 2013

**ESHB 1325**  
C 76 L 13

Concerning banks, trust companies, savings banks, and savings associations, and making technical amendments to the laws governing the department of financial institutions.

By House Committee on Business & Financial Services (originally sponsored by Representatives Ryu and Kirby; by request of Department of Financial Institutions).

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

**Background:** Regulation of Banks and Trust Companies. Under the dual system of banking, a commercial bank, savings bank, or savings and loan association (association) chooses whether to be chartered by the state in which it is located or by the federal government. The Department of Financial Institutions (Department), through its Division of Banks, regulates state-chartered commercial and sav-

ings banks, associations, and nondepository trust companies. The Office of the Comptroller of the Currency (OCC) regulates national banks and associations.

Under both state and federal laws, the various types of financial institutions are subject to different regulations regarding organization, governance, and business activities. The regulations governing financial institutions include grants of powers and authorities that may be exercised by an institution with respect to corporate governance and operational matters. Generally, the types of powers and authorities held by banks and trust companies chartered in Washington are defined by reference to regulations adopted by the OCC and the Board of Governors of the Federal Reserve System (Federal Reserve).

A trust is a form of ownership of property that separates responsibility and control of the property from the benefits of ownership. Washington law defines a trust company as a corporation organized under the laws of the state engaged in trust business. In general terms, Washington law defines "trust business" as executing trusts of every description not inconsistent with the law. Trust companies also have powers and privileges conferred on banks.

Fees and Charges. The Department charges a fee for examinations of banks, savings banks, trust companies, and associations. The fee, which must cover the estimated cost of the examination, is \$80.60 per hour for regular examinations and \$111.64 per hour for trust examinations. For banks and savings banks, the Department also recoups non-direct bank examination related expenses with a semi-annual asset charge.

Lending Limits. At no time may the total loans and extensions of credit to one individual, business entity, or governmental agency exceed 20 percent of a bank or trust company's capital and surplus. Certain loans and extensions of credit are not included in this limit. The Department is authorized to adopt rules to establish different limits or requirements for particular categories of loans and extensions of credit. Where no Department rule governs a specific type of transaction, a bank must conform to the OCC rules. These limits do not apply to savings banks.

Different limits apply to associations. Not more than 20 percent of an association's assets may be invested in loans on such terms as it deems appropriate, and an association may not invest more than 2.5 percent of its assets in any loan or obligation to any one person, except with approval of the Director of the Department (Director).

The Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act) revised lending limits under federal law to include any credit exposure arising from derivative transactions and securities financing transactions. The Dodd-Frank Act also provided that a state-chartered bank insured by the Federal Deposit Insurance Corporation (FDIC) may only engage in derivative transactions if the state lending limits take into consideration credit exposure to derivatives. In 2012 the OCC amended its rule on lending limits to implement those

changes, and the Department adopted its own rule in January 2013.

Interstate Branching. An out-of-state bank or savings bank may establish or acquire branches in Washington if the laws of the bank's home state permit Washington banks to establish and maintain branches under substantially the same, or at least as favorable, terms and conditions.

Bank and Trust Powers. Provisions for parity with federally chartered banks, trust companies, mutual savings banks, and associations generally grant the state-chartered institution the powers and authorities of the federally chartered institution through a certain date. After that date, the state-chartered institution has the same powers and authorities only if the Director finds that the exercise of the powers is in the interest of the public and maintains fair competition between the respective types of institutions.

Banks and trust companies may engage in business activities that national banks may engage in as of July 27, 2003, and are granted the same powers and authorities conferred, as of July 27, 2003, on a national bank doing business in Washington. A mutual savings bank has the powers and authorities that a national bank or mutual savings bank had until July 27, 2003. A trust company may exercise the powers and authorities granted to federally chartered trust companies as of June 11, 1998. An association may exercise the powers and authorities conferred, as of December 31, 1993, on a federal association doing business in Washington.

A bank may exercise the same powers and authorities as out-of-state state-chartered banks with branches in Washington. A savings bank may exercise any power or authority that other savings banks or associations with branches in Washington may exercise under applicable state or federal law if, in the Director's opinion, the powers affect the operations of savings banks or the delivery of financial services in Washington.

A bank or trust company may exercise the powers and authorities of a mutual savings bank if the bank or trust notifies the Department and the Department finds that the exercise of such powers is in the interest of the public and maintains fair competition between the types of institutions. A mutual savings bank has the powers and authorities of a bank.

Supervisory Direction and Conservatorship. The Department may place a bank or savings bank under its supervisory direction if the bank or savings bank: gives its consent; exceeded its powers; failed to comply with the law; or is in an unsafe condition that is hazardous to the public or its depositors and creditors. If a bank or savings bank under supervisory direction fails to comply with the Department's requirements, the Department may appoint a conservator. The conservator conducts the business of the bank or savings bank and takes steps to correct the conditions that necessitated the conservatorship. The conservator may take all necessary measures to protect and recover assets and property and may file and defend lawsuits as necessary.

**Summary: Fees and Charges.** To cover operating costs and establish and maintain a reasonable reserve for the Division of Banks, the Department may collect certain charges. The Department must collect for services related to required filings, applications, requests for waiver, investigations, approvals, determinations, certifications, agreements, actions, directives, and orders made by the Director. These collections must be made from banks, savings banks, trust companies, associations, holding companies, business development companies, agricultural lenders, and small business lenders.

In addition to fees for the actual cost of examination and fees for services, the Director may collect a semiannual charge for recoupment of non-direct expenses related to the examination of a bank, trust company, savings bank, or savings association. The charge must be based on the institution's assets. The rate for banks, savings banks, and savings associations must be the same. A separate rate may be charged to trust companies, but must be the same for all trust companies.

The Director is authorized to establish, set, and adjust the amounts of fees and charges by rule.

Lending Limits. A bank or trust company does not violate the lending limit if the loan or extension of credit would constitute an exception to the lending limit for national banks authorized by the OCC. The list of loans and extensions of credit that are excluded from the limit are deleted.

Defined terms have the same meaning as under federal regulations, except that "loans and extensions of credit" also include repurchase agreements, reverse repurchase agreements, securities lending transactions, and securities borrowing transactions between a bank and a borrower if the FDIC or the Federal Reserve requires such treatment.

The Department has rulemaking authority with respect to: (1) setting standards for computation of time in relation to determining lending limits; and (2) implementing and incorporating other changes in lending limits necessary to conform to federal law.

These limits on loans and extensions of credit apply to savings banks and associations. The prohibition on an association investing more than 2.5 percent of its assets in a loan to one person is deleted.

Nonconforming Loans and Extensions of Credit and Exceptions to the Lending Limit. A loan or extension of credit that was within the limit when it was made is treated as nonconforming if it is no longer within the limit because: the bank or trust company's capital has declined; lenders or borrowers have subsequently merged; the applicable rules have changed; or collateral securing the loan or extension of credit has declined in value. A bank or trust company must make reasonable efforts to bring a nonconforming loan or extension of credit into conformity unless it would be inconsistent with safe and sound banking practices. For loans that are nonconforming because of a de-

cline in the value of the collateral, a bank or trust company must generally bring the loan into conformity within 30 days.

The Department may, by rule or interpretation, prescribe standards for treatment of nonconforming extensions of credit that are derivatives transactions or securities financing transactions and may rely on rules of the FDIC or the Federal Reserve.

If a bank's capital declines to the point that it seriously impairs its ability to operate in the marketplace or serve the needs of its customers or community, the Director may grant temporary permission to fund loans and extensions of credit in excess of the limit. This emergency lending authority may be limited to particular types of loans and extensions of credit. The Director may also grant an exception to a bank's credit limit based on extenuating facts and circumstances, taking into consideration: the proposed transaction; how the exception would affect the bank's safety and soundness; how the exception would affect the bank's loan portfolio diversification; the competency of management; the marketability and value of the collateral; and the extenuating facts and circumstances.

**Interstate Branching.** The Director must approve an out-of-state bank's application for a de novo branch or branch acquisition if the bank would be permitted to establish or acquire a branch if it were a bank chartered in Washington.

**Bank and Trust Powers.** Banks, savings banks, and associations have the same powers and authorities conferred on their respective federal institutions as of July 28, 2013. Banks may engage in business activities determined by Congress or the Federal Reserve as of July 28, 2013, to be closely related to the business of banking.

If the Director makes a finding regarding the interest of the public and fair competition:

- a bank or savings bank has the same powers and authorities conferred on national banks, and a savings bank has the same powers and authorities conferred on a federal mutual savings bank, for powers conferred on the federal institutions after July 28, 2013; and
- a bank, savings bank, or trust company has the same powers and authorities as a corresponding out-of-state state-chartered institution operating in Washington.

An out-of-state state-chartered bank may engage in banking in Washington if the bank was lawfully engaged in banking in Washington on July 22, 2010. An out-of-state association may establish or acquire branches in Washington if it would be permitted to if it were a savings bank or association chartered in Washington.

A bank has the same powers and authorities as a savings bank without need for the Director to make a finding.

**Trust Business and Supervision.** Requirements for engaging in a trust business are applied to a person (rather than a corporation) authorized to engage in a trust business. A person may not engage in a trust business except in compliance with the law governing trusts. Exceptions are provided for: (1) an individual, sole proprietor, general partnership, or joint venture composed of individuals; (2) a person conducting business as an attorney or law firm; or (3) a court-appointed guardian, conservator, trustee, or receiver.

The Director may prohibit a person from engaging in trust business if it harms or is likely to harm the general public or adversely affect the business of trust companies in Washington. The order may require the person to obtain a trust company charter. These provisions, however, do not apply to a person conducting business as an attorney or law firm, or a court-appointed guardian, conservator, trustee, or receiver.

With the exception of an attorney or law firm, no person who solicits legal business may act as an executor, administrator, or guardian. A person who solicits legal business may not be appointed an executor, administrator, or guardian for a period of one year. A person who is authorized to engage in trust business and who solicits legal business is guilty of a gross misdemeanor.

"Trust company" is defined to include a limited liability company. In addition to the entities covered by current law, the definition of "person" means individuals and entities including, but not limited to, a sole proprietorship, joint venture, limited liability company, limited liability partnership, or trust.

**Supervisory Direction and Conservatorship.** Provisions related to supervisory direction and conservatorship of banks are applied to trust companies. A conservator appointed to conduct the business of a bank, savings bank, or trust company is immune from criminal, civil, and administrative liability for any act done in good faith in the performance of the duties of conservator.

**Votes on Final Passage:**

House	89	8
Senate	42	5

**Effective:** July 28, 2013

Contingent (Sections 10 and 25)

## SHB 1327

C 106 L 13

Addressing licensing and enforcement provisions applicable to money transmitters.

By House Committee on Business & Financial Services (originally sponsored by Representatives Kirby, Ryu and Santos; by request of Department of Financial Institutions).

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

**Background:** The Department of Financial Institutions (DFI) regulates the money transmission and currency exchange businesses (collectively referred to as money services) under the Uniform Money Services Act (Act). The Act states a legislative intent to ensure the safe and sound operation of money transmission and currency exchange businesses, to ensure that these businesses are not used for criminal purposes, to promote confidence in the state's financial system, and to protect the public interest.

Money transmission is the receipt of money for the purpose of transmitting or delivering the money to another location, whether inside or outside the United States. The transmission/delivery of the money can take place by any means, including wire, facsimile, or electronic transfer.

Currency exchange is the exchange of the money of one government for the money of another government, or holding oneself out as being able to complete such an exchange. Various types of businesses are exempted from the definition.

**Generally.** Money transmitters and currency exchangers must meet licensing requirements that are largely identical. However, money transmitters are subject to bonding and net worth requirements not applicable to currency exchangers. Also, currency exchangers do not need a license if total business revenues obtained from currency exchange do not exceed 5 percent.

**Money Transmitter License Application.** An application for a money transmitter license must contain specified information, including:

- a 10-year employment history of the designated responsible individual;
- a list of any criminal convictions sustained by the responsible individual during the preceding 10 years;
- documentation that the proposed responsible individual either is a citizen of the United States or has the necessary legal work status as an immigrant;
- a list of the authorized delegates;
- a description of the source of the money or credit to be used in conducting the business;
- a description of any licensing problems in other states involving the responsible individual;
- information regarding any bankruptcy or receivership affecting the responsible individual;

- if the applicant is a business entity, specific additional information about the entity; and
  - any other information required by the DFI by rule.
- Prior to issuing a license, the Director of the DFI (Director):

- must examine the applicant's background, financial profile, experience, competence, character, and general fitness;
- must determine that the applicant and its proposed employees are not listed by the federal government as persons who pose a potential threat of committing terrorist acts or financing terrorist acts,
- may request background information including fingerprints of the responsible person for the applicant. The responsible person is the individual with principal managerial authority over money services in Washington; and
- may request the fingerprints of each executive officer, board director, or person that has control of the applicant. This does not apply if the applicant or its corporate parent is a publicly traded entity.

**Exemptions.** Certain entities are specifically exempted from the Act, including:

- governmental entities and agents, and those contracted to provide money services on behalf of governmental entities;
- the United States Postal Service;
- financial institutions and corporations organized under specified federal acts;
- federally regulated boards of trade;
- federally registered futures commission merchants;
- operators of payment systems that provide services to other exempted entities, with respect to wire transfers, credit cards, debit cards, etc.;
- registered securities broker-dealers;
- state licensed insurance companies, title insurance companies, or escrow agents; and
- certain persons involved in connection with the issuance, sale, use, redemption, or exchange of stored value or payment instruments.

The Director may waive the licensing provisions of the Act when the Director determines it necessary to facilitate commerce and protect consumers.

**Prohibited Practices.** It is a violation of the Act for a money services provider or an employee to engage in specified prohibited practices, including:

- engaging in trade practices that are unfair or deceptive, including bait and switch advertising or sales practices;
- committing fraud or misrepresentation;
- creating false or deceptive documents or records; and
- failing to file reports or records required by law.

Money Laundering and Governmental Reporting Requirements. A money services licensee must comply with money laundering laws, record keeping laws, and suspicious transaction reporting requirements.

Financial Requirements. Money transmitters are required to maintain a surety bond or other acceptable security, a portfolio of permissible investments, and a tangible net worth, set in rule, of at least \$10,000 but not exceeding \$3 million.

Authority of the Director. The Director may adopt rules to implement the Act. The Director may examine and investigate money service provider licensees. The Director may take a wide range of regulatory actions for violations of the Act or rules to implement the Act. Certain violations of the Act are subject to criminal penalties.

Background Checks for Financial Professionals. A variety of financial professionals are required by state or federal law to undergo a background check, including fingerprinting. This group includes people who work at banks, credit unions, consumer loan companies, escrow agents, mortgage brokers, and insurance producers.

**Summary:** Various changes are made to the Act.

Several definitions are modified and language throughout the Act is conformed to those changed definitions.

At the time of application for an initial license and upon license renewal, an applicant must provide identifying information, including fingerprints, to the DFI regarding each applicant's officers, directors, and owners.

The officers, directors, and owners of an applicant are subject to a state and national criminal background check unless the applicant or its corporate parent is a publicly traded entity. The DFI can only disseminate this background information to criminal justice agencies.

A licensee must provide contact information for all persons that are authorized to provide money services on behalf of the licensee.

The Director is expressly given the authority and administrative discretion to administer and interpret the Act to fulfill the stated intent of the Legislature.

**Votes on Final Passage:**

House	97	0
Senate	48	0

**Effective:** July 28, 2013

**HB 1330**

C 87 L 13

Allowing dental hygienists and dental assistants to provide certain services under the supervision of a dentist.

By Representatives Moeller, Harris, Green, Cody, Tharinger, Pettigrew, Appleton, Springer, Roberts, Kagi, Pollet, Moscoso and Morrell.

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

**Background: I. Dental Hygienists.** A dental hygienist may remove deposits and stains from the surfaces of teeth, apply topical preventive or prophylactic agents, polish and smooth restorations, perform root planing and soft-tissue curettage, and perform other operations and services delegated to them by a dentist. Generally speaking, dental hygienists must be supervised by a licensed dentist. In order to be licensed, dental hygienists must complete an educational program, pass an examination, and fulfill continuing education requirements.

A. General Supervision. Under rules adopted by the Dental Quality Assurance Commission, a dental hygienist may perform certain services under the general supervision of a dentist. General supervision means the supervisor need not be present in the treatment facility. The services a dental hygienist may perform under general supervision include:

- oral inspection and measuring of periodontal pockets with no diagnosis;
- patient education in oral hygiene;
- intraoral and extraoral radiographs;
- the application of topical preventive or prophylactic agents;
- polishing and smoothing restorations;
- oral prophylaxis and removal of deposits and stains from the surfaces of teeth;
- recording health histories;
- taking and recording blood pressure and vital signs;
- performing subgingival and supragingival scaling;
- root planing; and
- applying sealants.

B. Dental Hygiene in a Health Care Facility or Senior Center. A dental hygienist with two years of practical clinical experience within the last five years may provide dental hygiene operations and services without the supervision of a dentist when employed or retained by, or under a lease agreement with, a health care facility or a senior center. Such a hygienist may only remove deposits and stains from the surfaces of teeth, apply topical preventative or prophylactic agents, polish and smooth restorations, and perform root planning and soft-tissue curettage. The dental hygienist must enter into a practice agreement with a dentist who agrees to provide off-site supervision of the dental services provided.



II. Dental Assistants. A dental assistant is authorized to perform patient care and laboratory duties as authorized by the Dental Quality Assurance Council (DQAC) in rule. All services provided by a dental assistant must be under the close supervision of a dentist. Dental assistants must register with the DQAC.

**Summary:** I. Dental Hygienists. A. General Supervision. A dental hygienist may apply topical anesthetic agents under the general supervision of a dentist.

A dental hygienist with two years of practical clinical experience in the preceding five years may perform delegated acts for a homebound patient (a patient incapable of travel due to age or disability) under the general supervision of a dentist if the patient has first been examined by the supervising dentist. Before performing any acts on a homebound patient, the dental hygienist must obtain information from the patient's primary care provider about any of the patient's relevant health conditions, review and discuss any changes in the patient's health condition with the supervising dentist, and discuss appropriateness of care with the supervising dentist. The acts the dental hygienist may perform on a homebound patient include:

- oral inspection and measuring of periodontal pockets with no diagnosis;
- patient education in oral hygiene;
- intraoral and extraoral radiographs;
- the application of topical preventive or prophylactic agents;
- polishing and smoothing restorations;
- oral prophylaxis and removal of deposits and stains from the surfaces of teeth;
- recording health histories;
- taking and recording blood pressure and vital signs;
- performing subgingival and supragingival scaling;
- root planing; and
- applying sealants.

B. Dental Hygiene in a Health Care Facility or Senior Center. The services a dental hygienist may provide in a health care facility or senior center are expanded to include the application of topical anesthetic.

II. Dental Assistants. A dental assistant may apply topical anesthetics under the close supervision of a dentist.

**Votes on Final Passage:**

House	95	0
Senate	47	0

**Effective:** July 28, 2013

Concerning conversion kits on motorcycles.

By House Committee on Transportation (originally sponsored by Representatives Shea, Taylor, MacEwen, Schmick, Holy, Short, Kagi, Orcutt, Overstreet, Rodne, Klippert, Hargrove, Condotta and Parker).

House Committee on Transportation  
Senate Committee on Transportation

**Background:** Motorcycle means a motor vehicle designed to travel on not more than three wheels in contact with the ground, on which the driver:

- rides on a seat or saddle and the motor vehicle is designed to be steered with a handlebar; or
- rides on a seat in a partially or completely enclosed seating area that is equipped with safety belts and the motor vehicle is designed to be steered with a steering wheel.

Motorcycle skills training programs are available for two-wheeled and three-wheeled motorcycles. The operator of a motorcycle must have the appropriate two-wheeled or three-wheeled driver's license endorsement in order to operate a two- or three-wheeled motorcycle in Washington.

Private industry has developed equipment kits that may be added to a motorcycle to provide additional stability. There are some states that authorize the use of stabilization kits.

**Summary:** The definition of a "motorcycle" in the motor vehicle code is revised to mean a motor vehicle designed to travel on not more than three wheels not including any stabilizing conversion kits.

The definition of a "motorcycle" in the Motorcycle Skills Education Program is updated to be the same as the motor vehicle code definition and to clarify that it excludes off-road motorcycles.

The use of stabilizing conversion kits on motorcycles is authorized. A person operating a motorcycle with a stabilizing conversion kit must have a valid driver's license specially endorsed for a three-wheeled motorcycle.

**Votes on Final Passage:**

House	92	0	
Senate	47	0	(Senate amended)
House	95	0	(House concurred)

**Effective:** July 28, 2013

**ESHB 1336**

C 197 L 13

Increasing the capacity of school districts to recognize and respond to troubled youth.

By House Committee on Education (originally sponsored by Representatives Orwall, Dahlquist, Pettigrew, Cody, Walsh, Green, Appleton, Freeman, Fitzgibbon, Hunt, Stonier, Kagi, Maxwell, Goodman, Moscoso, Roberts, Reykdal, Lytton, Santos, Fagan, O'Ban, Van De Wege, Jinkins, Bergquist, Pollet, McCoy, Ryu, Upthegrove, Tarleton and Fey).

House Committee on Education  
 House Committee on Appropriations Subcommittee on Education  
 Senate Committee on Early Learning & K-12 Education  
 Senate Committee on Ways & Means

**Background:** *Certification and Training.* Legislation enacted in 2012 requires certain health professionals, including counselors, therapists, and social workers, to complete an approved training program of three to six hours in suicide assessment, treatment, and management every six years. The training applies toward continuing education requirements for certificate renewal. The Department of Health (DOH) is writing rules to implement these provisions, including considering training programs listed on the Best Practices Registry of the American Foundation for Suicide Prevention and the Suicide Prevention Resource Center. The training requirement takes effect January 1, 2014.

School counselors, psychologists, and social workers are certified by the Professional Educator Standards Board (PESB) rather than by the DOH. School nurses are certified by both agencies, but are not included under the 2012 legislation regarding suicide assessment training. Educators are certified under a two-tier system. They receive an initial certificate, and then a professional certificate or continuing certificate based on completion of an additional program or requirement. The second certificate may then be renewed based on 150 clock hours of continuing education every five years.

All educators must complete a course on Issues of Abuse to receive an initial certificate. The required content of the course is outlined in statute and includes identification of physical, emotional, sexual, and substance abuse; impacts on student learning; reporting; and methods for teaching students about prevention.

*Safe School Plans.* School districts are required to adopt comprehensive safe school plans. At a minimum, the plans must address school safety policies and procedures; emergency preparedness and response; school mapping for emergency first responders; and communication with parents. The Office of the Superintendent of Public Instruction (OSPI) has developed a model safe school plan that school districts are encouraged to consider when developing their own plans. There is a School Safety Advi-

sory Committee and a School Safety Center within the OSPI to provide updated information and serve as a resource for school districts. The focus of the model safe school plan is on preventing and responding to natural disasters and external threats.

**Summary:** *Certification and Training.* School counselors, psychologists, social workers, and nurses must complete a training program of at least three hours in youth suicide screening and referral as a condition of certification by the PESB. Content standards for the training are adopted by the PESB in consultation with the OSPI and the DOH. The PESB must consider training programs on the Best Practices Registry of the American Foundation for Suicide Prevention and the Suicide Prevention Resource Center. The training requirement applies to continuing or professional certificates if the certificates are first issued or renewed on or after July 1, 2015.

As part of the course on Issues of Abuse, the PESB must incorporate standards for recognition, initial screening, and response to emotional or behavioral distress in students, including indicators of possible substance abuse, violence, and youth suicide. To be initially certified after August 31, 2014, educators must complete the expanded course.

Each Educational Service District must develop and maintain the capacity to offer training on youth suicide screening and referral, and on recognition, initial screening, and response to emotional or behavioral distress in students. Training may be offered on a fee-for-service basis or at no cost if funds are available.

If funds are appropriated for this purpose, the Department of Social and Health Services (DSHS) must provide funds for mental health first-aid training targeted at teachers and educational staff. The training must follow a model developed by the Department of Psychology in Melbourne, Australia, and include descriptions of common mental disorders in youth, possible causes and risk factors, availability of various treatments, processes for making referrals, and methods for rendering assistance in initial intervention and crisis situations. The DSHS must collaborate with the OSPI to identify methods of instruction that leverage local resources in order to make the training broadly available.

*District Plans.* Beginning in the 2014-15 school year, each school district must adopt a plan for recognition, initial screening, and response to emotional or behavioral distress in students (Plan), and annually provide the Plan to all district staff. The Plan must include:

- identification of training opportunities for staff;
- use of the expertise of trained staff;
- staff response to concerns or warning signs of emotional or behavioral distress;
- identification and development of partnerships with community organizations and agencies for referral of students to health and social services, including

development of at least one memorandum of understanding with such an entity in the community or region;

- protocols and procedures for communication with parents;
- staff response to a crisis situation of imminent danger; and
- district support to students and staff after an incident.

The Plan may be a separate plan or a component of another required plan, such as the harassment, intimidation, and bullying prevention plan or the comprehensive safe school plan.

The OSPI and the School Safety Advisory Committee must develop a model Plan and post it on the School Safety Center website by February 1, 2014.

Nothing in the bill creates civil liability on the part of the state or any state agency, political subdivision, or school district.

*Task Force.* The OSPI must convene a task force to identify best practices, model programs, and successful strategies for school districts to develop partnerships with community agencies to coordinate and improve support for youth in need. Resource documents must be posted on the School Safety Center website, and a report with recommendations is due to the Education Committees of the Legislature by December 1, 2013. The task force must also explore the potential use of online emotional health and crisis and response systems that have been developed for use in other countries.

**Votes on Final Passage:**

House	90	8	
Senate	46	1	(Senate amended)
House	89	6	(House concurred)

**Effective:** July 28, 2013

**ESHB 1341**  
PARTIAL VETO  
 C 175 L 13

Creating a claim for compensation for wrongful conviction and imprisonment.

By House Committee on Judiciary (originally sponsored by Representatives Orwall, Goodman, Pollet, Jinkins, Carlyle, Roberts, Appleton, Hunt, Upthegrove, Green, Kagi, Seaquist, Moeller, Kirby, Santos, Ryu, Pedersen and Moscoso).

House Committee on Judiciary  
House Committee on Appropriations  
Senate Committee on Law & Justice  
Senate Committee on Ways & Means

**Background:** Persons unjustly convicted of federal crimes and subsequently imprisoned are authorized by federal statute to bring an action for damages in the United

States Court of Federal Claims. In 2004 Congress increased the damage award limit for persons who successfully bring a claim based on unjust conviction of a federal crime. Successful claimants are eligible for up to \$50,000 per year of incarceration, and \$100,000 per year served on a sentence of death.

Along with the federal government, the District of Columbia and 27 states have statutes offering some form of compensation to the wrongly convicted. Washington law does not provide for a civil cause of action specific to compensation for persons wrongly convicted and incarcerated.

Washington pays judgments, settlements, and defense costs associated with tort claims against the state from a nonappropriated liability account that is funded by premiums assessed against state agencies.

**Summary:** Persons wrongly convicted of a felony in superior court and imprisoned as a result may bring a civil suit against the state for money damages and other compensation.

Who May Bring a Claim. A person who has been convicted in Washington and imprisoned for one or more felonies of which that person is actually innocent may file a claim. A person is actually innocent of a felony if the person did not engage in any of the illegal activity alleged in the charging documents. A person is wrongly convicted if that person was charged with, convicted of, and imprisoned for one or more felonies of which the person is actually innocent. If the claimant is deceased, the claim survives to the personal representative of the deceased claimant.

Presenting a Claim. In order to file an actionable claim, a claimant must establish by documentary evidence that:

- the claimant has been convicted of one or more felonies in superior court and has served all or part of a corresponding sentence of imprisonment;
- the claimant is not currently incarcerated for any offense;
- the claimant is not seeking compensation for any period of imprisonment during which they were simultaneously imprisoned on a concurrent sentence for a crime other than the felony or felonies that form the basis of the claim;
- the claimant has been pardoned on grounds consistent with innocence for the felony or felonies upon which the claim is based; or, as a result of significant new exculpatory information, the judgment of conviction was reversed or vacated and the charging document dismissed, or the wrongly convicted person was found not guilty at a new trial or was not retried and the charging document was dismissed; and
- the statute of limitations has not run.

The claim must also set out the following factual assertions in sufficient detail:

- that the claimant did not engage in any illegal conduct alleged in the charging documents; and
- that the claimant did not commit perjury or fabricate evidence to bring about the conviction.

Unless the Attorney General concedes that the claimant was wrongly convicted, any claim not meeting the filing criteria may be dismissed by the court. The court is required to set forth its reasons for dismissal in written findings of fact and conclusions of law.

In order to obtain a judgment, the claimant must show clear and convincing evidence of all of the documentary evidence and factual assertions required at filing.

The Compensation Award. The award for bringing a successful claim is the following:

- \$50,000 for each year of actual incarceration (including pre-trial incarceration);
- \$50,000 (additional) for each year served under a sentence of death;
- \$25,000 for each year on parole, community custody, or as a registered sex offender;
- compensation for child support that became due and interest on arrearages that accrued while incarcerated;
- reimbursement for restitution, assessments, fees, and court costs associated with the underlying wrongful conviction;
- attorneys' fees for bringing the wrongful conviction claim, not to exceed \$75,000;
- higher education tuition waivers for Washington's state universities and colleges for the claimant and the claimant's children and step-children if they are domiciled in Washington; and
- access to reentry services, upon the claimant's request.

Compensation awards are paid from the state liability account. The award may not be offset by costs the state or any political subdivision of the state incurred in prosecuting and incarcerating the wrongly convicted person, may not include punitive damages, and will not be considered income for tax purposes. The claimant and the Attorney General may agree to a structured settlement of the compensation claim. The structured settlement agreement is subject to court approval.

A court must seal the person's record of conviction upon a finding of wrongful conviction. Upon the claimant's request, the court may order the conviction record vacated.

Prior to receiving a compensation award, the claimant must execute a legal release waiving any other existing remedies, causes of action, and relief related to the wrongful conviction. If the release is held invalid and another award is granted based on the wrongful conviction, the claimant must reimburse the state to the extent of the other award or the amount received by the claimant under the immediate cause of action, whichever is less. The claim-

ant does not have to reimburse the state for compensation associated with child support, costs related to defending the underlying conviction, or attorneys' fees.

Notice. When a person's conviction has been reversed or vacated or other similar judicial relief has been granted on grounds consistent with innocence, the court must provide the person with a copy of this act.

Statute of Limitations. Claims must be brought within three years from pardon, grant of judicial relief, release from custody, or this act's effective date, whichever is latest. If the wrongly convicted person is not given proper notice of this act, they have an additional 12 months to file.

Right of Appeal. Wrongful conviction claimants will have the right to appeal. Review of a superior court dismissal is de novo.

**Votes on Final Passage:**

House	95	2	
Senate	48	0	(Senate amended)
House	95	0	(House concurred)

**Effective:** July 28, 2013

**Partial Veto Summary:** The Governor vetoed the sections requiring payment of compensation claims from the state liability account.

**VETO MESSAGE ON ESHB 1341**

May 8, 2013

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

Ladies and Gentlemen:

I am returning herewith, without my approval as to Sections 10 and 13, Engrossed Substitute House Bill 1341 entitled:

"AN ACT Relating to creating a claim for compensation for wrongful conviction and imprisonment."

I am pleased to join 27 states and the District of Columbia to provide compensation to individuals who have been wrongly convicted in Washington state of a felony offense and imprisoned as a result. While the impact on the person and his or her family cannot be quantified, some measure of compensation will help those wrongly convicted get back on their feet.

Under this bill, persons who clearly demonstrate that they have been wrongly convicted of a felony offense in superior court and subsequently imprisoned may bring a claim for compensation. Those individuals will receive monetary compensation based on the amount of time spent in prison and be eligible for other assistance programs to help them reintegrate into the community.

Sections 10 and 13 of the bill require payment of any wrongful conviction and imprisonment claims to be made from the state's liability account. This account is a self-insurance pool used to pay state tort claims, judgments, and settlements. State agencies pay premiums to the account based on an analysis for the claim loss history of the state agency. This methodology has passed state and federal audit scrutiny because it is based on the sound actuarial principle of examining actual claims experience. However, payments of wrongful conviction and imprisonment claims from this fund could draw a challenge from state and federal auditors because there is no state agency engaged in the conduct for which compensation is awarded under the bill. To avoid this risk, I am vetoing Sections 10 and 13 of this bill. Payments of such claims will be paid out of the General Fund and handled in accordance with RCW 4.92.040.

For these reasons, I have vetoed Sections 10 and 13 of Engrossed Substitute House Bill 1341.

With the exception of Sections 10 and 13, Engrossed Substitute

## SHB 1343

House Bill 1341 is approved.

Respectfully submitted,



Jay Inslee  
Governor

### SHB 1343

C 77 L 13

Removing the expiration for the additional surcharge imposed on registered nurses and licensed practical nurses.

By House Committee on Appropriations Subcommittee on Health & Human Services (originally sponsored by Representatives Cody, Johnson, Moeller, Walsh, Morrell, Schmick, Green and Moscoso).

House Committee on Appropriations Subcommittee on Health & Human Services  
Senate Committee on Health Care

**Background:** Legislation enacted in 2005 created the Nursing Resource Center Account (Account) and authorized the Account to be funded through an additional \$5 surcharge on the license applications and renewals of registered nurses (RNs) and licensed practical nurses (LPNs).

The legislation directed the Department of Health (DOH) to award grants from the Account to a nonprofit organization that is led by nurses and coordinates with representatives of different nursing organizations. The grantee organization must use the funds to monitor, study, and promote the nursing profession. The DOH awarded the grant to the Washington Center for Nursing (WCN).

The 2005 legislation also required the DOH to review the program by June 30, 2012, and make recommendations on whether the program should continue. In July 2012 the DOH published its review of the program. The review concluded that the WCN met the statutory requirements for the use of the surcharge funds, and recommended the following to the Legislature: (1) continue the \$5 surcharge for RNs and LPNs to support a central nursing resource center; (2) continue issuing grants to a nonprofit nursing center, funded by the surcharge, as a way to complete activities identified by the Legislature; and (3) revise the activities the Legislature should expect from a nonprofit nursing center to reflect and align with trends in public health and the health care delivery system.

The \$5 surcharge and the authorization to use its revenue to support a central nursing resource center expire on June 30, 2013.

**Summary:** The act removes the June 30, 2013, expiration date for the \$5 surcharge placed on RN and LPN annual licenses and renewals for the support of a central nursing resource center.

### Votes on Final Passage:

House	90	7
Senate	47	1

**Effective:** April 25, 2013

### HB 1351

C 107 L 13

Concerning the identification of wineries, breweries, and microbreweries on private labels.

By Representatives Condotta and Hurst.

House Committee on Government Accountability & Oversight  
Senate Committee on Commerce & Labor

**Background:** Washington's "tied house" laws regulate the relationship between liquor manufacturers, distributors ("industry members"), and retailers. In general, tied house laws are meant to regulate how liquor is marketed and prevent the vertical integration of the three tiers of the liquor industry. The general rule is that no industry member may advance, and no retailer may receive, moneys or moneys' worth under an agreement or by means of any other business practice or arrangement.

There are numerous exceptions to the tied house laws. One exception allows wineries to partner with retailers to create private label wines for restaurants and private clubs. The producers may be identified on the private labels.

**Summary:** The exception to the tied house laws for private labeling is expanded. Wineries, breweries, microbreweries, certificate of approval holders, and retail licensees may create private labels for restaurants, private clubs, grocery stores, and beer and/or wine specialty shops.

### Votes on Final Passage:

House	96	0
Senate	48	0

**Effective:** July 28, 2013

### SHB 1352

C 17 L 13

Addressing the statute of limitations for sexual abuse against a child.

By House Committee on Public Safety (originally sponsored by Representatives Holy, Hurst, Shea, Kristiansen, Parker, Warnick, Kochmar, Kretz, Manweller, Johnson, Rodne, Hayes, Schmick, Short, Klippert, Vick, Condotta, Overstreet and Bergquist).

House Committee on Public Safety  
Senate Committee on Law & Justice

**Background:** There are three tiers of statute of limitations for sex offenses.

Certain sex offenses may be prosecuted up to a victim's twenty-eighth birthday:

- Rape of a Child in the first or second degrees;
- Child Molestation in the first, second, or third degrees;
- Indecent Liberties when the other person is incapable of consent by reason of being mentally defective, mentally incapacitated, or physically helpless; or
- Incest.

Rape in the first or second degree has different statute of limitations schemes depending on the age of the victim and whether the offense was reported within one year. According to these criteria, if the offense:

- was reported within one year and the victim was under 14 years, it may be prosecuted up to the victim's twenty-eighth birthday;
- was reported within one year and the victim was 14 years or over, it may be prosecuted up to 10 years after the offense;
- was not reported within one year and the victim was under 14 years, it may be prosecuted up to seven years after the offense; or
- was not reported within one year and the victim was 14 years or over, it may be prosecuted up to three years after the offense.

For all other sex offenses, the period of statute of limitations is three years.

The period of statute of limitations for any sex offense commences on the date of the offense or one year from the date by which the identity of the suspect is established by deoxyribonucleic acid (DNA).

**Summary:** The following offenses may be prosecuted up to the victim's thirtieth birthday, if the victim was under 18 years old when the offense was committed:

- Rape in the first or second degree;
- Rape of a Child in the first or second degrees;
- Child Molestation in the first, second, or third degrees;
- Indecent Liberties when the other person is incapable of consent by reason of being mentally defective, mentally incapacitated, or physically helpless;
- Incest; or
- Sexual Exploitation of a Minor.

If the victim was over 18 years old, Rape in the first or second degrees may be prosecuted up to 10 years after the act, if the offense was reported within one year, or up to three years after the act, if the offense was not reported within one year.

All other sex offenses may be prosecuted up to three years from the date of the act.

The period of statute of limitations for any sex offense commences on the date of the offense or one year from the date by which the identity of the suspect is established by DNA or by photograph.

**Votes on Final Passage:**

House	95	0
Senate	48	0

**Effective:** July 28, 2013

**SHB 1370**

C 108 L 13

Concerning notice requirements for homeowners' associations meetings.

By House Committee on Judiciary (originally sponsored by Representative Seaquist).

House Committee on Judiciary  
Senate Committee on Financial Institutions, Housing & Insurance

**Background:** A homeowners' association (association) is a legal entity with membership comprised of the owners of residential real property located within a development or other specified area. An association typically arises from restrictive covenants recorded by a developer against property in a subdivision. A board of directors, elected by the members, manages the association. In general, the purpose of an association is to manage and maintain common areas and structures, review design, and maintain architectural control.

Associations must hold annual meetings, and special meetings may be called. Advance notice of meetings must be provided to each owner. A notice may be sent by first-class mail or hand delivered to an owner's mailing address or other address designated in writing.

**Summary:** Meeting notices may be sent by electronic transmission if a homeowner provides written consent to receive electronically transmitted notices. An owner may revoke such consent to receive notices electronically by delivering a written revocation to the association's secretary or other officer specified in the bylaws. Consent is deemed to have been revoked if the secretary or officer is unable to electronically transmit two consecutive notices to the homeowner.

**Votes on Final Passage:**

House	97	0
Senate	46	0

**Effective:** July 28, 2013

**SHB 1376**

C 78 L 13

Clarifying the requirement that certain health professionals complete training in suicide assessment, treatment, and management.

By House Committee on Health Care & Wellness (originally sponsored by Representatives Orwall, Jinkins, Liias, Angel and Ormsby).

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

**Background:** Beginning January 1, 2014, the following health professions must complete training in suicide assessment, treatment, and management every six years as part of their continuing education requirements:

- certified counselors and certified advisors;
- certified chemical dependency professionals;
- licensed marriage and family therapists, mental health counselors, and social workers;
- licensed occupational therapy practitioners;
- licensed psychologists; and
- persons holding a retired active license in any of the affected professions.

The first training must be completed during the first full renewal period after initial licensure or June 7, 2012, whichever is later. A person applying for licensure on or after June 7, 2012, is exempt from the first training if he or she can demonstrate completion, no more than six years prior to initial licensure, of a six-hour training program in suicide assessment, treatment, and management on the best practices registry of the American Foundation for Suicide Prevention (AFSP) and the Suicide Prevention Resource Center (SPRC).

The training must be approved by the relevant disciplining authority and must include the following elements: suicide assessment, including screening and referral, suicide treatment, and suicide management. A disciplining authority may approve a training program that excludes one of the elements if the element is inappropriate for the profession in question based on the profession's scope of practice. A training program that includes only screening and referral must be at least three hours in length. All other training programs must be at least six hours in length.

A disciplining authority may specify minimum training and experience necessary to exempt a practitioner from the training requirement. The Board of Occupational Therapy may exempt its licensees from the requirements by specialty if the specialty in question does not practice primary care and has only brief or limited patient contact. A state or local government employee, or an employee of a community mental health agency or a chemical dependency program, is exempt from the training requirement if he or she has at least six hours of training in suicide assessment, treatment, and management from his or her employ-

er; the training may be provided in one six-hour block or in shorter segments at the employer's discretion.

**Summary:** A disciplining authority may approve training that includes only screening and referral elements; the training must be no more than three hours in length.

To be eligible to delay the initial training, a person must demonstrate completion of the training required for his or her profession (instead of a six-hour training program on the Best Practices Registry of the AFSP and the SPRC) no more than six years prior to the application for initial licensure.

The Board of Occupational Therapy may approve training that includes only screening and referral elements if appropriate for occupational therapy practitioners based on practice setting. The Board of Occupational Therapy may also exempt occupational therapy practitioners from the training based on brief or limited patient contact, instead of based on specialty.

References to June 7, 2012, are changed to January 1, 2014, to be consistent with the date upon which the training requirement takes effect.

**Votes on Final Passage:**

House	92	0
Senate	48	0

**Effective:** July 28, 2013

**ESHB 1381**

C 109 L 13

Regarding administrative adjudicatory proceedings coming before the department of health.

By House Committee on Government Accountability & Oversight (originally sponsored by Representatives Jinkins, Hunt, Wylie, Morrell, Cody, Green, Roberts, Clibborn, Ormsby, Reykdal and Ryu).

House Committee on Government Accountability & Oversight  
Senate Committee on Health Care

**Background:** Specified Regulatory Functions of the Department of Health. The powers, authority, and functions of the Department of Health (DOH) are extremely broad and include the regulation of:

- specified health care providers and entities under the Uniform Disciplinary Act (chapter 18.130 RCW);
- the dispensation and distribution of controlled substances (chapter 69.45 RCW);
- specified aspects of the Uniform Controlled Substances Act (chapter 69.50 RCW); and
- local health departments and officers (chapter 70.05 RCW).

The DOH is authorized to conduct administrative adjudicatory actions for regulatory violations by those persons and entities falling within its purview. Such

adjudicatory actions are subject to the requirements of the Administrative Procedures Act (APA) and are conducted by presiding officers employed by the DOH.

Overview of the Health Professions Disciplinary Process. Credentialed health care providers are subject to professional discipline under the Uniform Disciplinary Act (UDA). The UDA authorizes the DOH and other specified agencies, boards, and commissions to take action against a provider for a variety of reasons, including unprofessional conduct, unlicensed practice, and the mental or physical inability to practice skillfully or safely.

Under the UDA, responsibilities in the disciplinary process are divided between the Secretary of the DOH (Secretary) and many health profession boards and commissions, collectively known as "disciplining authorities." A "disciplining authority" is defined to mean an agency, board, or commission having the authority to take disciplinary action against a holder of, or applicant for, a professional or business license upon a finding of a violation of the UDA or other regulatory provision pertaining to specified health care-related professions. The DOH acts as the disciplining authority for certain specified health care providers, and various statutorily designated boards and commissions serve as the disciplining authority for the remainder.

The UDA requires a disciplining authority to use either a designated "presiding officer" or the Office of Administrative Hearings (OAH) for the purpose of conducting adjudicative proceedings. The presiding officer may either be the Secretary or his or her designee. In the context of proceedings under the UDA, presiding officers are the functional equivalent of an administrative law judge (ALJ) and are analogous to the ALJs that conduct adjudicative hearings within the OAH. These presiding officers employed by the DOH are often referred to as "health law judges."

Presiding officers issue initial orders that are subject to review by the disciplining authority, which must then issue the final order. In most cases a disciplinary authority may delegate to the presiding officer the authority to issue the final order. However, final decisions regarding the *disposition of a license* must be made by the disciplining authority unless such decision-making power is expressly delegated to the presiding officer. In cases pertaining to *standards of practice, or where clinical expertise is necessary*, certain specified disciplining authorities may not delegate final decision making power to the presiding officer.

Formal adjudicative hearings convened under the authority of the UDA must conform to the requirements of the APA.

**Summary:** In all administrative adjudicative proceedings before the Secretary or the DOH, the Secretary may delegate initial decision-making authority to a presiding officer. The presiding officer must enter an initial order subject to the review of the Secretary or his or her designee.

The Secretary may, by rule, provide that initial orders in specified classes of cases may become final without further agency action unless, within a specified time period:

- the Secretary upon his or her own motion determines that the initial order should be reviewed; or
- a party to the proceedings files a petition for administrative review of the final order.

**Votes on Final Passage:**

House	97	0
Senate	47	1

**Effective:** July 28, 2013

**ESHB 1383**

C 84 L 13

Modifying stalking and harassment protection order provisions.

By House Committee on Judiciary (originally sponsored by Representatives Goodman, Fey, Kirby, Orwall, O'Ban, Roberts, Jinkins, Hope, Angel, Smith, Dahlquist, Wilcox and Kristiansen).

House Committee on Judiciary  
Senate Committee on Human Services & Corrections

**Background:** Protection Orders and No-Contact Orders.

There are various types of civil protection orders a court may grant to restrict a person's ability to have contact with another person. Domestic violence protection orders are available to those who have been subject to physical harm, bodily injury, assault, the infliction of fear of imminent physical harm, sexual assault, or stalking by a family or household member. Antiharassment protection orders are available to those who have been seriously alarmed, annoyed, or harassed by conduct that serves no legitimate or lawful purpose. The petitioner does not need to establish that they have any sort of special relationship with the respondent to obtain an antiharassment protection order.

A court may grant an ex parte temporary protection order and, upon a full hearing, a final order that lasts for a fixed term or is permanent. Additionally, courts may issue no-contact orders to protect victims during the pendency of criminal proceedings, and these orders may also be imposed or extended as a condition of release or sentence.

Civil protection orders and criminal no-contact orders prohibit contact of any kind with the victim and may forbid the respondent from being within a set distance of specific locations. They also may involve a surrender of firearms, depending on the restrained person's criminal history. Generally, violation of a protection order or no-contact order is a gross misdemeanor. A violation of some protection orders is a class C felony if the person violating the order has two prior convictions for violating a similar order or if the violation involved an assault or reckless endangerment. Antiharassment protection order violations do not elevate to a class C felony.



Superior, district, and municipal courts all have original jurisdiction to issue most kinds of protection orders. Original jurisdiction over antiharassment orders is placed with district courts and municipal courts may exercise jurisdiction by local court rule. Regardless of the type of order, jurisdiction is limited to the superior court under some circumstances.

**Stalking and Cyberstalking.** Stalking is defined as intentionally and repeatedly harassing or repeatedly following another person, placing that person in fear that the stalker intends to injure the person, another person, or the person's or someone else's property. The fear must be reasonable under the circumstances, and the stalker either must intend to frighten, intimidate, or harass the person, or must know or reasonably should know that their conduct would elicit such a reaction. Cyberstalking occurs when a person makes certain electronic communications with the intent to harass, intimidate, torment, or embarrass another person. Stalking and cyberstalking are generally gross misdemeanors, but under some circumstances are class C felonies.

Victims of stalking and cyberstalking may obtain an antiharassment protection order. Some victims also have grounds to petition for a domestic violence protection order, but only if they have a family or dating relationship with the respondent.

**Summary:** The Jennifer Paulsen Stalking Protection Order Act is enacted.

**Stalking Protection Orders.** Stalking protection orders are created. These orders specifically apply to victims of stalking conduct who do not qualify for a protection order under the domestic violence statutes.

**Filing a Petition.** A petition for a stalking protection order must allege the existence of stalking conduct and be accompanied by an affidavit made under oath stating the specific reasons that the petitioner is in fear. Both stalking and cyberstalking as defined in statute qualify as stalking conduct for purposes of seeking a stalking protection order. Stalking conduct may also be any course of conduct, with no lawful purpose, involving repeated or continuing contacts or any type of surveillance that results in reasonable feelings of intimidation or threat in the petitioner, and that the stalker knows or reasonably should know causes such feelings, even if that was not the stalker's intent.

**Jurisdiction and Venue.** The petitioner must file in the county or municipality where the petitioner resides, or in the county or municipality to which the petitioner has relocated to avoid the stalking conduct. Jurisdiction over stalking protection orders is substantially the same as jurisdiction over antiharassment orders. The court may assert personal jurisdiction over a nonresident for purposes of a stalking protection order if the nonresident meets certain qualifying criteria making Washington jurisdiction appropriate.

**Service of Process and Hearings.** The court must hold a hearing within 14 days of receiving the petition, which

may be conducted by telephone in limited circumstances. The respondent must be personally served no less than five court days prior to the hearing, and, if timely service is not made, the court will set a new hearing date to accommodate further service attempts. The court may authorize service by publication or mail if certain criteria are met. The court may issue a temporary stalking order pending the full hearing.

The standard of proof for entry of a stalking protection order is proof by a preponderance of the evidence that the petitioner has been a victim of stalking conduct by the respondent.

No fee may be charged for filing or service of process, and certified copies are provided to the petitioner at no charge.

**Relief Granted in the Order.** The court may order the following relief:

- restrain the respondent from contacting the petitioner, or from conducting any form of surveillance of the petitioner or the petitioner's children;
- exclude the respondent from the petitioner's home, workplace, or school, or the daycare, workplace, or school of the petitioner's children, or restrict the respondent from coming within a specified distance of a specified location;
- require the respondent to transfer schools, if the petitioner and respondent attend the same school;
- order any other injunctive relief as necessary or appropriate for the protection of the petitioner, which can include mental health or chemical dependency evaluation, or both; and
- require the respondent to pay court costs, service fees, and attorneys' fees.

If circumstances warrant, the court is either required or authorized to order the respondent to surrender his or her firearms for the duration of the order.

**Ex Parte Temporary Orders.** An ex parte temporary stalking protection order may be issued if it appears from the petition and any additional evidence that the respondent has engaged in stalking conduct and that irreparable injury could result if an immediate order is not issued without prior notice. An ex parte temporary stalking order is effective for a fixed period, not to exceed 14 days, or 24 days if service by publication or mail is permitted. A full hearing must be set for no later than the expiration date of the temporary order. The respondent must be served with notice of the temporary order and hearing and a copy of the petition.

**Final Orders.** A final stalking protection order is effective for a fixed period of time or is permanent. Any stalking protection order, regardless of whether it is a final order or a temporary ex parte order, may be renewed and may be modified upon approval of the court. Procedures for renewal and modification of orders are provided.

**Penalties.** A knowing violation of a temporary or final stalking protection order is a gross misdemeanor unless the violation is for assault or reckless endangerment or the respondent has had two prior violations of a similar injunction, in which case the violation is a class C felony.

**Stalking No-Contact Orders.** When a person charged with or arrested for stalking or a stalking-related offense is released from custody pending arraignment or trial, and there is no outstanding restraining or protection order, the court may issue a stalking no-contact order. Electronic monitoring may be imposed at the time of arraignment or whenever a motion is brought to modify the conditions of release. A stalking no-contact order may also be entered as a condition of a criminal sentence, and remains in effect for a period of five years from the date of entry. A stalking no-contact order terminates if charges are not filed or are dismissed or if the defendant is acquitted or the charges are dismissed.

**Other Provisions.** The superior court of each county may appoint one or more attorneys to act as protection order commissioners, effective upon approval of the legislative authority in the affected county.

The Legislature respectfully requests that, by January 1, 2014, the Administrative Office of the Courts create a single master petition pattern form for all antiharassment and stalking protection orders. The Legislature also respectfully requests that the Washington Supreme Court Gender and Justice Commission provide recommendations about possible remedies to the confusion over the type of protection order a petitioner should seek.

Changes are made to the felony stalking provisions and corresponding sentences. Felony stalking is reclassified from a class C felony to a class B felony. Court employees, court clerks, and courthouse facilitators are added to the list of persons of whom stalking constitutes a felony. Certain stalking offenses are added to the list of statutory aggravators that provide a basis for exceeding the standard sentencing range.

**Votes on Final Passage:**

House	98	0	
Senate	47	0	(Senate amended)
House	94	0	(House concurred)

**Effective:** July 28, 2013

**EHB 1394**

C 122 L 13

Changing the employment security department's settlement authority.

By Representatives Reykdal, Manweller, Sells, Hunt, Green, Van De Wege and Appleton; by request of Employment Security Department.

House Committee on Labor & Workforce Development  
Senate Committee on Commerce & Labor

**Background:** Most employment is covered for purposes of unemployment insurance. Most covered employers are required to pay contributions (taxes) on a percentage of their taxable payroll. Alternatively, some employers reimburse the Employment Security Department (ESD) for benefits paid to their former workers.

The ESD is authorized to compromise with employers for owed taxes, interest, or penalties when collection of the full amount would result in the insolvency of the employer. With individual claimants who have received a benefit overpayment, however, the ESD may settle if it would be against equity and good conscience to collect the full amount.

**Summary:** The ESD may compromise and settle with employers under the same standards as it does with individual claimants. The ESD is authorized to enter into settlement agreements with employers for less than the amount of contributions, interest, or penalties due, regardless of whether the employer would be facing insolvency if forced to pay the full amount, if collection of the full amount would be against equity and good conscience.

The ESD's settlement authority applies retroactively to January 1, 2013.

**Votes on Final Passage:**

House	96	0	
Senate	48	0	(Senate amended)
House	94	0	(House concurred)

**Effective:** May 3, 2013

**EHB 1396**

C 79 L 13

Changing the unemployment insurance shared work program by adopting short-time compensation provisions in the federal middle class tax relief and job creation act of 2012.

By Representatives Manweller, Sells, Chandler, Reykdal, Condotta, Hunt, Wylie, Van De Wege, Green, Appleton and Morrell; by request of Employment Security Department.

House Committee on Labor & Workforce Development  
Senate Committee on Commerce & Labor

**Background:** The unemployment compensation system provides partial wage replacement benefits for workers who are unemployed through no fault of their own. Eligible unemployed workers receive benefits based on their earnings in their base year. The Employment Security Department (Department) administers this system.

Most covered employers pay contributions (payroll taxes) to finance benefits. The tax rate for these employers, known as "contributing employers," is experience rated and, with some exceptions, benefits are charged to employers. Some employers, including the state and qualified nonprofit corporations that have elected to do so,

make payments in lieu of contributions and are known as "reimbursable employers." Reimbursable employers reimburse the Department for benefits paid to former employees.

The Shared-Work Program (Program) was established in 1983. The Program provides for the payment of partial unemployment compensation benefits in situations where employers elect to retain employees at reduced hours rather than institute layoffs. Employers submit shared work plans to the Department, which reviews and approves plans under specified criteria.

The federal Middle Class Tax Relief and Job Creation Act (Act) of 2012 requires states operating a Program to conform to certain requirements. The Act also provides for federal reimbursement to states of shared work benefits until August 22, 2015. In addition, under the Act, states may apply for federal grants to implement or improve their Programs and to promote and enroll employers.

**Summary:** For weeks of benefits paid for the three-year period between July 1, 2012, and June 28, 2015, the amount of shared work benefits reimbursed by the federal government is not charged to the experience rating accounts of contributing employers or to reimbursable employers.

Changes to the Program are made consistent with the Act. Shared-work is available only to permanent employees, and part-time employees may participate. If an employer reduces paid vacation, holiday, and sick leave benefits to employees who are not Program participants, the employer may also reduce these benefits for Program participants. Other changes include requiring employers to estimate the number of layoffs that would have occurred absent shared work.

**Votes on Final Passage:**

House	97	0
Senate	48	0

**Effective:** July 28, 2013

**SHB 1397**

C 85 L 13

Adding a requirement to sexual health education to include elements of and consequences for conviction of sexual offenses where the victim is a minor.

By House Committee on Education (originally sponsored by Representatives Orcutt, Santos, Dahlquist, Pike, Vick, Haler, Hargrove, Buys, Magendanz and Bergquist).

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

**Background:** Guidelines for Sexual Health Information and Diseases Prevention. The January 2005 Guidelines for Sexual Health Information and Diseases Prevention (Guidelines) were developed by the Office of the Super-

intendent of Public Instruction (OSPI) and the Department of Health in response to a bipartisan request from 41 state legislators. They provide a framework for medically and scientifically accurate sexual health education for Washington youth. The Guidelines list components of evidence-based and effective education programs. For younger youth, the Guidelines suggest developing healthy self-esteem, positive body image, good self-care, effective communication skills, respect for others, caring for family and friends, and a responsibility to communicate. As youth mature, the guidelines suggest awareness of health exams, abstinence, and contraception.

Sexual Health Education. Public schools are not required to provide sexual health education, but those that do must assure that it is:

- medically and scientifically accurate;
- age-appropriate;
- appropriate for students regardless of gender, race, disability status, or sexual orientation;
- inclusive of information about abstinence and other methods of preventing unintended pregnancy and sexually transmitted diseases, though abstinence may not be taught to the exclusion of instruction on contraceptives and disease prevention; and
- consistent with the Guidelines.

The OSPI is required to develop and annually update a list of sexual health education curricula consistent with the Guidelines. Public schools that offer sexual health education are encouraged to choose curriculum listed by the OSPI, but may develop their own curriculum if it complies with the Guidelines.

The OSPI is required to identify sexual health curricula used and report the results of their inquiry to the Legislature every two years.

Sex Offenses. The criminal code includes sexual offenses which are crimes whether or not the victim is a minor, and some which are crimes because the victim is a minor. An example of a sexual offense that is a crime whether or not the victim is a minor is Rape in the third degree, which involves sexual intercourse with a clear lack of consent. An example of a sexual offense that is a crime because the victim is a minor is Rape of a Child in the third degree which involves sexual intercourse with a child who is at least 14 year old but less than 16, and the perpetrator is at least 36 months older.

In addition to sentences following convictions or guilty pleas to these crimes, any adult or juvenile found to have committed a sex offense must register with the county sheriff in the county of the person's residence. There are also various other reporting requirements.

Educational Materials. In 2006 the Legislature required that the Washington Coalition of Sexual Assault Programs (Coalition), in consultation with the Washington Association of Sheriffs and Police Chiefs (WASPC), the Washington Association of Prosecuting Attorneys (WA-

PA), and the OSPI develop education materials to inform parents and community members about:

- the laws related to sex offenses;
- how to recognize behaviors characteristic of sex offenses and sex offenders;
- how to prevent victimization, particularly of young children;
- how to take advantage of community resources for victims of sexual assault; and
- other appropriate information.

**Summary:** Information related to the legal elements of sex offenses where a minor is a victim, the consequences upon conviction, and sex offender registration must be added to the educational materials prepared by the Coalition, the WASPC, the WAPA, and the OSPI. By September 1, 2014, and biennially thereafter, the Coalition and the others must review and update the educational materials to make sure that they remain current, accurate, and age appropriate.

Every public school that offers sexual health education must assure that sexual health education complies with the Guidelines. This sexual health education must attempt to teach students to take responsibility for and understand the consequences of behavior, and avoid exploitive or manipulative relationships. This education should include age appropriate information about the legal elements of sex offenses where a minor is a victim and the consequences of conviction. It is also encouraged to include the materials developed by the Coalition and others.

**Votes on Final Passage:**

House	94	4
Senate	41	6

**Effective:** July 28, 2013

**EHB 1400**

C 110 L 13

Clarifying that service includes electronic distribution of hearing notices and orders in administrative proceedings.

By Representatives Bergquist, Kochmar and Jinkins; by request of Office of Administrative Hearings.

House Committee on Government Operations & Elections  
Senate Committee on Law & Justice

**Background:** The Office of Administrative Hearings (OAH) is an independent state agency responsible for the review of the actions of other state agencies. Administrative hearings are conducted in accordance with statutory procedures outlined in the Washington Administrative Procedure Act (APA) and are generally less formal than court proceedings.

In 2012 the OAH received over 72,000 requests for administrative hearings from citizens of Washington. For each hearing, the OAH must follow the APA procedures

governing the service of administrative hearing notices and orders. In an administrative hearing notice, the OAH sets the time and place of the hearing and gives advance written notice of the hearing to all involved parties. An administrative hearing order explains the legal rights, duties, privileges, immunities, or other legal interests of a specific person or persons.

Under the APA, "service" means posting in the United States mail, properly addressed, postage prepaid, or personal service.

**Summary:** Administrative hearing notices may be served electronically if agreed to by the parties involved in the hearing.

**Votes on Final Passage:**

House	96	0
Senate	48	0

**Effective:** July 28, 2013

**ESHB 1403**

C 111 L 13

Promoting economic development by providing information to businesses.

By House Committee on Technology & Economic Development (originally sponsored by Representatives Smith, Morris, Short, Ryu, Magendanz, Blake, Walsh, Hansen, Dahlquist and Maxwell).

House Committee on Technology & Economic Development

Senate Committee on Trade & Economic Development

**Background:** Business Licensing Service. The Business Licensing Service (BLS) is the state's primary business licensing portal. Created in the 1970s as the Master License Service at the Department of Licensing, it was renamed in 2011 when legislation was enacted that transferred it to the Department of Revenue. The BLS has a statutory goal to provide a convenient, accessible, and timely one-stop system for the business community to acquire and maintain the necessary licenses to conduct business. The BLS registers businesses, renews licenses, and provides related services for approximately 40,000 businesses monthly, and has more than 115 state licenses available through its website.

Performance Audit on Regulatory Reform. The State Auditor's Office (SAO) conducts state government audits, local government audits, and performance audits. On September 6, 2012, the SAO released the performance audit *Regulatory Reform: Communicating Regulatory Information and Streamlining Business Rules*. Within the audit, the SAO reported that 23 of 26 state regulatory agencies issue business licenses, and that state law requires full participation by 13 state agencies. The performance audit found that:

- only the Department of Revenue provides all of its licenses through the BLS website;
- only 16 percent of the state's business licenses are available through the BLS website; and
- only two of the 10 most-requested licenses are available through the BLS website.

The audit recommended that the Legislature: (1) revise the statute to accurately reflect the specific agencies that issue business licenses; and (2) clarify that "full participation" by agencies requires them to provide information and applications for all of their business licenses on the BLS website.

**Summary:** Two agencies are removed, and 13 agencies are added to the existing list of agencies that must fully participate in the Business Licensing Service. To fully participate, each agency must provide the Department of Revenue (Department) with the following information: a designated agency contact; every business license issued by the agency with the applicable license requirements; and links to the licensing information, application, and instructions on the agency's website.

An agency that issues licenses in accordance with national or federal mandates, requirements, or standards, or educational standards and an examination, may alternatively fully participate by providing a link to its licensing website, summary information about the licensing requirements, and a designated agency contact.

Each agency must annually certify its full participation to the Department. If an agency has not submitted all the required information, it must instead submit a progress report and explanation to the Department. The Department must compile the information it receives and submit an aggregate report to the Legislature and Governor.

A license will be incorporated into the master licensing system only if the Department and the agency with the legal authority to issue the license both agree to have it incorporated.

**Votes on Final Passage:**

House	97	0
Senate	47	0

**Effective:** July 28, 2013

**HB 1404**

C 112 L 13

Preventing alcohol poisoning deaths.

By Representatives Lias, Walsh, Goodman, Roberts and Jenkins.

House Committee on Public Safety  
Senate Committee on Law & Justice

**Background:** Alcohol poisoning is most commonly caused by binge drinking, but can also occur through accidental ingestion of household products containing alcohol.

Alcohol is absorbed through the stomach and if absorbed on an empty stomach, alcohol will begin to affect brain functions in less than one minute.

Once in the body, alcohol acts as a depressant, changing the way the body and the brain function. Generally, alcohol slows down normal functions including heart beat, breathing, and one's gag reflex that keeps a person from choking. Consuming large amounts of alcohol in a short amount of time can cause a person to pass out or keep one's organs from functioning.

Signs of alcohol poisoning include:

- consumption of large amounts of alcohol;
- inability to be woken up after drinking;
- skin that feels cold and clammy or looks pale;
- slowed or irregular breathing; and
- vomiting without waking up.

**Minor in Possession of Alcohol Offense.** It is unlawful for any person under the age of 21 years to possess, consume, or otherwise acquire any liquor. A person under the age of 21 years does not have to be in actual possession of alcohol to be charged with a Minor in Possession of Alcohol (MIP) offense. If a person under the age of 21 years old is exhibiting the effects of having consumed alcohol (alcohol on the breath, results of a breathalyzer test, and statements by others, etc.), that person may be charged with a MIP offense.

A MIP offense is a gross misdemeanor offense that is punishable by a fine of not more than \$1,000, or by imprisonment in a county jail for not more than 90 days, or by both such fine and imprisonment. If the offender is under 18 years old, the offender would be subject to local sanctions which can include up to: 30 days in confinement; 12 months of community supervision; 150 hours of community restitution; and a \$500 fine.

**Summary:** A person under the age of 21 years who is in need of medical assistance as a result of alcohol poisoning or is acting in good faith when seeking medical assistance for someone else experiencing alcohol poisoning is exempt from being charged with a MIP offense if the evidence obtained for the offense was a result of needing or seeking medical assistance.

The exemption is not grounds for suppression of evidence in other criminal charges.

**Votes on Final Passage:**

House	72	24
Senate	44	3

**Effective:** July 28, 2013

**ESHB 1412**

C 176 L 13

Requiring school districts to adopt policies that provide incentives for students to participate in community service.

By House Committee on Education (originally sponsored by Representatives Bergquist, Zeiger, Maxwell, Reykdal, Kagi, Riccelli, Santos, Fitzgibbon, Tarleton, Lytton, Pollet, Farrell, Freeman, Ryu, Stonier, Stanford, Hunt, Van De Wege, Kochmar, Buys, Magendanz, Hayes, O'Ban, Fey, Morrell and Jinkins).

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

**Background:** The State Board of Education (SBE) establishes minimum requirements for high school graduation. The current requirements are 20 credits among a specified distribution of subjects, a culminating project, and a High School and Beyond Plan.

School district boards of directors may establish additional local high school graduation requirements. For example, according to a database developed by the SBE in 2011, at least 20 school districts require students to complete community service for graduation. The required number of hours ranges from 10 to 100.

**Summary:** By September 1, 2013, school districts must adopt a policy that is supportive of community service and provides an incentive, such as recognition or credit, for students who participate in community service.

**Votes on Final Passage:**

House	92	6	
Senate	46	1	(Senate amended)
House	90	7	(House concurred)

**Effective:** July 28, 2013

**2SHB 1416**

C 177 L 13

Concerning the financing of irrigation district improvements.

By House Committee on Finance (originally sponsored by Representatives Warnick, Manweller, Takko, Fagan and Schmick).

House Committee on Local Government  
House Committee on Finance  
Senate Committee on Governmental Operations

**Background:** Irrigation Districts – Function and Management. Irrigation districts provide for the construction, improvement, maintenance, and operation of irrigation systems. Irrigation districts also may provide drainage, domestic water supply, and electric power facilities. Irrigation districts are established through a landowner petition process and subsequent voter approval. A board of three, five, or seven elected directors is responsible for the

management of each district. Irrigation districts may finance their operations and actions through fees, charges, and assessments, but irrigation districts do not have the authority to impose property taxes.

Local Improvement Districts: Financing and Bond Provisions. Irrigation districts may form local improvement districts (LIDs) within their jurisdictional boundaries. A LID is a special assessment district that is created by a sponsoring government for the purpose of funding capital improvements in a designated geographic area. The cost of the improvement, including its operation and maintenance, must be assessed through special benefit assessments against the lands within the LID in proportion to the accrued benefits, although exemptions to the special benefit assessments exist for farm, agricultural, and timber lands that are classified and taxed according to lower rate "current use" provisions.

In irrigation districts, LIDs may be formed through a director-initiated process or through a petition-based process requiring the satisfaction of public hearing and surety bond requirements. The LIDs may also be formed to qualify under the Washington State Reclamation Act, an act that provides for the reclamation of suitable lands for reclamation and development as agricultural lands.

In financing improvements for LIDs, irrigation districts may issue bonds or enter into a contract with the federal government, the state, or both to repay the cost of the improvement. If bonds are issued or if a contract is formed, the issued bonds or the contract is a primary obligation of the LID and a general obligation of the irrigation district.

General administrative provisions govern the issuing of the bonds, including: a prohibition on issuing the bonds for less than par; a requirement to issue the bonds in a denomination that is a multiple of \$100; a requirement that the bonds be signed by the president and secretary of the irrigation district; and requirements governing the production of the bonds and criminal provisions for bond printers who intend to defraud persons with facsimile signatures of district officials.

Irrigation districts that have issued LID bonds for improvements may issue, in place of these bonds, general bonds of the district. The general bonds may not be issued in excess of the LID bonds, but the district may sell the general bonds or exchange them with the owners of previously issued LID bonds for the purpose of redeeming the LID bonds.

With limited exceptions, irrigation districts that furnish or may furnish certain water, power, or drainage or sewerage services for which rates or tolls and charges are imposed, or contract payments made, may issue and sell bonds that are payable from revenues derived from the rates, tolls and charges, or contract payments for the specified services. The directors of the irrigation district may issue revenue bonds with a 40-year maximum term without voter approval, and may issue revenue bonds with longer terms with voter approval. Districts that are in debt to

the state must have approval from the Director of the Department of Ecology prior to issuing revenue bonds.

Local Improvement Guarantee Fund. Irrigation districts with LIDs have a local improvement guarantee fund (Fund). The purpose of the Fund is to guarantee that payment funds are available for LID bonds, warrants, and contracts. The balance of the Fund is derived from assessments against properties in the district. Sums annually assessed for the Fund may not exceed the amount that is sufficient to pay the outstanding warrants or contract indebtedness on the Fund. The annually assessed sums are also used to establish a Fund balance, but the assessed sums may not be used to create a balance that exceeds 5 percent of the guaranteed outstanding obligations.

Delinquencies. If a delinquency occurs with respect to a debt owed to an irrigation district, the district's treasurer must, 36 months from the month of the date of the delinquency, prepare certificates of delinquency on the property for the unpaid irrigation district assessments and for costs and interests. Properties with unpaid assessments are subject to eventual foreclosure and sale.

Utility Local Improvement Districts. Irrigation districts may establish utility local improvement districts (ULID) within their territory and may levy special assessments in the same manner as for LIDs. While largely similar to a LID, the difference between the improvement districts is that under ULID requirements, assessments and utility revenues are pledged to the repayment of the ULID debt on the benefitting properties.

If a ULID is proposed in an irrigation district, a petition calling for its establishment must specify that the sole purpose of the assessments levied against the real property within the ULID must be the payment of the proceeds of those assessments into a revenue bond fund for the payment of revenue bonds, that no warrants or bonds may be issued in any such ULID, and that the collection of interest and principal on all assessments in the ULID must be paid into the revenue bond fund.

Federal Reclamation Projects and Irrigation Districts. The United States Bureau of Reclamation (Bureau) is a federal agency engaged in water and electricity generating projects in 17 western states. The Bureau manages, develops, and protects water and related resources, and is the nation's largest wholesale water supplier. The Bureau is the second largest producer of hydroelectric power in the west and has constructed more than 600 dams and reservoirs.

An irrigation or reclamation district may enter into contracts with the federal government for the transfer of operations and maintenance of the works of federal reclamation projects. Such contracts do not impute to the irrigation or reclamation district negligence for any design or construction defects or deficiencies of the transferred works.

**Summary:** Numerous changes to provisions governing local improvement districts (LIDs) created by irrigation districts are established.

Bond Issuance and Administration. Any LID bonds and associated interest issued against the bond redemption fund of a LID established within an irrigation district is a valid claim of the owner only against the improvement guarantee fund, the LID redemption fund, and the assessments or revenues pledged to these funds. The bonds do not constitute a general indebtedness against the issuing irrigation district unless the district directors expressly provide by resolution for a pledge of general indebtedness.

Bonds must be issued in a denomination that is a multiple of \$1,000, and a provision specifying that no bond may be sold for less than par is deleted. A provision specifying that any contract entered into for the local improvement by the irrigation district with the United States or the State of Washington, or both, must be a general obligation of the irrigation district is deleted. Other general administrative provisions governing the issuance of bonds are also deleted, including requirements obligating the bonds to be signed by the president and secretary of the irrigation district, requirements governing the production of the bonds, and criminal provisions for bond printers who intend to defraud persons with facsimile signatures of district officials.

Irrigation districts that have issued LID bonds for improvements may issue, in place of these bonds, LID or revenue refunding bonds of the district in accordance with bond refunding requirements.

A requirement that districts that are in debt to the state must have approval from the Director of the Department of Ecology prior to issuing revenue bonds is deleted.

Formation Requirements, Extra-Territorial LIDs. Requirements governing the petition process to form a LID in an irrigation district are modified, as follows: (1) surety bond requirements for persons petitioning the formation of a LID within an irrigation district are deleted; (2) the petition proposal to form a LID may be dismissed without cost to the petitioners if the irrigation district directors determine that its formation is not in the best interest of the district; and (3) a public hearing required during the formation process may be conducted by a hearing officer who will report recommendations on the establishment of the LID to a board of three, five, or seven elected directors (Board) for final action.

A LID may include adjoining, vicinal, or neighboring improvements even though the improvements and the properties benefited are not connected or continuous. Additionally, upon approval of the Board of an adjoining irrigation district, an irrigation district may form LIDs or utility local improvement districts that are composed entirely or in part of territory within that adjoining district.

A LID established in an irrigation district is authorized to use the formation, levying, collection, and enforcement

by foreclosure methods employed by cities and towns. A provision specifying that LIDs may also be formed to qualify under the Washington State Reclamation Act is deleted.

**Delineated Costs of Improvements.** The costs of the improvement for a LID in an irrigation district must include, but not be limited to, several specified costs, including:

- the cost of all of the construction or improvement authorized for the district;
- the estimated cost and expense of ascertaining the ownership of the lots or parcels of land included in the assessment district; and
- the cost for legal, financial, and appraisal services and any other expenses incurred by the irrigation district for the LID or in the formation of the LID.

Subject to action by the Board, any of the delineated costs of improvements may be excluded from the cost and expense to be assessed against the property in the LID and may be paid from any other moneys available. Additionally, the Board is authorized to give credit for all or any portion of any property or other donation against an assessment, charge, or other required financial contribution for improvements within a LID. Provisions governing district treasurer responsibilities are modified, and the Board is authorized to conduct a hearing on the assessment roll and to report recommendations on the roll to the Board for final action.

**Local Improvement Guarantee Fund.** The annually assessed sums in an irrigation district's local improvement guarantee fund (Fund) may not exceed 10, rather than 5 percent of the guaranteed outstanding obligations. The balance of the Fund may also be established from the deposit of prepaid local improvement assessments or proceeds of LID bonds.

**Removal of Current-Use Exemption.** A provision in 'current-use' property tax provisions that exempts farm, agricultural, and timber lands from special benefit assessments of LIDs is modified. Farm, agricultural, and timber lands that are taxed according to 'current-use' provisions are subject to special benefit assessments for a LID created by an irrigation district.

**Delinquencies.** If a delinquency occurs with respect to an LID assessment, the district's treasurer has 24 months from the month of the date of delinquency to prepare certificates of delinquency on the property for the unpaid assessments and for costs and interests.

**Utility Local Improvement Districts.** Provisions governing the petition-based process of forming utility local improvement districts (ULIDs) in irrigations districts are modified. The petition calling for the formation must specify that special assessments paid before issuance and sale of bonds may be deposited in a fund for the payment of costs of improvements in the ULID.

#### Federal Reclamation Projects and Irrigation Districts.

Any contract entered by an irrigation or reclamation district with the United States for the transfer of operations and maintenance of the works of a federal reclamation project, that purports to indemnify against liability for damages caused by or resulting from the negligent acts or omissions of the federal government is, absent express authorization in state law, not enforceable.

#### **Votes on Final Passage:**

House	97	0	
Senate	48	0	(Senate amended)
House	95	0	(House concurred)

**Effective:** July 28, 2013

## SHB 1420

C 113 L 13

Concerning public contracts for transportation improvement projects.

By House Committee on Finance (originally sponsored by Representatives Liias, Orcutt, Clibborn and Fey).

House Committee on Transportation  
House Committee on Finance  
Senate Committee on Transportation  
Senate Committee on Ways & Means

**Background:** State law requires that public improvement contract provisions include a contract retainage of no more than 5 percent of the monies earned by the contractor. The retainage is to be set aside as a trust fund in the event that claims arise under the contract or taxes are not paid by the contractor. The Department of Revenue (DOR), the Employment Security Department (ESD), and the Department of Labor and Industry (L&I) are authorized to collect taxes, increases, and penalties from the contract retainage. The contract retainage provisions apply to the state, as well as to counties, cities, towns, districts, boards, and other public bodies.

State law also permits prime contractors to hold a contract retainage of no more than 5 percent of monies earned by subcontractors or suppliers. State law requires that all retainage be paid to the contractor within 60 days of completion of all contract work other than landscaping.

Federal Disadvantaged Business Enterprise (DBE) regulations require prime contractors to pay subcontractors in full by no later than 30 days after the subcontractor's work is satisfactorily completed. This is referred to as the DBE prompt payment requirement.

Public improvement contracts for highway, road, and street projects that are funded by federal transportation funds are exempted from the retainage requirement. Instead, the contract bond is used in the event of claims or unpaid taxes. The contract bond must remain in full force and effect until, at a minimum, all claims filed in compliance with the contractor's bond requirements are resolved.



Employers on public works projects must pay prevailing wages and submit a statement of intent to pay prevailing wages after the contract is awarded but before work begins. After all of the work is complete, employers must submit an affidavit of wages paid. The forms are filed with the L&I and, when approved, are submitted by the employer to the agency administering the contract. A complaint concerning nonpayment of prevailing wage must be filed with the L&I within 30 days of the acceptance date of the public works project. Failure to file a complaint does not preclude a claimant from pursuing a private right of action for unpaid prevailing wages, and the statute of limitations for such causes of action is three years.

All state agencies are required to charge any other public agency the full cost of any services or materials that the state agency provides. Further, all services rendered or property transferred between public entities must be paid for at its true and full value.

Since 1993 the Washington State Department of Transportation (WSDOT) has entered into agreements with local government entities to mutually waive indirect costs associated with projects that the WSDOT performs for the local government entity or vice versa.

**Summary:** All public improvement contracts that are funded in whole or in part by federal transportation funds are added to the types of contracts exempted from the contract retainage requirement.

The state's specific authority to collect taxes imposed pursuant to RCW Titles 50 (unemployment compensation), 51 (industrial insurance), and 82 (excise taxes) from the contract retainage for public improvement contracts is expanded to include increases and penalties.

Taxes, increases, and penalties incurred under RCW Titles 50, 51, and 82 are included in the items that can be recovered from the contract bond, and the state is exempted from the 30-day notice requirement that otherwise applies for claims on a contract bond. The DOR, the ESD, and the L&I are required to be notified within 30 days of the completion of any public work contract with a value of more than \$35,000.

On a public works contract that is exempt from the contract retainage requirement, the affidavit of wages paid must be submitted to the public entity disbursing the contract funds prior to final acceptance of the public works contract. The restriction preventing prevailing wage filings by a subcontractor from being accepted sooner than 31 days after the acceptance of the public works project is removed.

The definition of an urban public transportation system is modified to include any public agency, and urban public transportation systems are added to the public entities that are granted the authority to enter into cooperative agreements related to various transportation projects.

Public agencies and the WSDOT are allowed to enter into reciprocal agreements to mutually waive indirect

costs associated with a project or work. The projects or work must be specified in the agreement and may be for an initial term of no more than 10 years, and the agreement is deemed to satisfy other statutory requirements for payment of indirect costs.

**Votes on Final Passage:**

House	98	0
Senate	48	0

**Effective:** July 28, 2013  
June 30, 2016 (Section 4)

**EHB 1421**

C 221 L 13

Protecting the state's interest in collecting deferred property taxes.

By Representatives Tharinger and Nealey; by request of Department of Revenue.

House Committee on Finance  
Senate Committee on Ways & Means

**Background:** Property Taxes. Property taxes are due on April 30 each year. If one-half of the tax is paid by April 30, the other half is due on October 31. If the first-half property tax payment is not made on time, the entire tax is delinquent and interest is charged at the rate of 12 percent per year. A penalty of 3 percent is assessed on taxes that are delinquent on June 1. An additional 8 percent penalty is assessed on taxes that are delinquent on December 1.

Property Tax Deferral Programs. Currently there are two property tax deferral programs. The first allows eligible persons age 60 and older with incomes less than \$40,000 to defer taxes. Taxes that are deferred become a lien against the property and accrue interest at 5 percent per year. If deferred taxes are not repaid within three years after the claimant ceases to own and live in the residence, the lien will be foreclosed and the residence sold to recover the taxes.

The second deferral program is for limited-income property owners. Individuals with an annual household income of \$57,000 or less may defer 50 percent of yearly real property taxes and special assessments. Deferred amounts, including interest, become a lien on the residence.

Foreclosure. After three years from the date of property tax delinquency, the county treasurer may begin foreclosure proceedings to recover past due property taxes. Proceeds from the sale of property must first be applied to discharge liens for general taxes. However, if the county does not receive a bid that satisfies past due property taxes, penalties, and interest, the county acquires title to the land in trust for the taxing districts. Lands acquired by the county are called "tax title lands," and no claims are allowed from taxing districts. If the property is eventually

resold by the county, the proceeds from the sale are distributed to other taxing districts, including the state.

In Attorney General Opinion No. 3, 2012, the Department of Revenue (Department) asked if a lien established under the senior deferral program remained in effect after a county acquires property subject to a lien at a tax foreclosure sale. The Attorney General concluded that at the time the county acquired the property through foreclosure, all taxes are cancelled.

**Summary:** Proceeds from the sale of property acquired by a county due to property tax foreclosure must first be applied to reimburse the county and then to pay the Department for taxes deferred under the senior and limited-income property tax deferral programs. The Department may charge off past-due obligations from the senior and limited-income deferral programs as uncollectible if the Department determines that there are no cost-effective means of collecting the amounts due.

**Votes on Final Passage:**

House	93	0
Senate	46	0

**Effective:** July 28, 2013

**SHB 1422**  
**FULL VETO**

Changing the criteria for the beer and wine tasting endorsement for grocery stores.

By House Committee on Government Accountability & Oversight (originally sponsored by Representatives Condotta and Hurst).

House Committee on Government Accountability & Oversight  
Senate Committee on Commerce & Labor

**Background:** A grocery store licensed to sell beer and/or wine may obtain an endorsement from the Liquor Control Board (LCB) to offer beer and wine tastings. To be eligible, a store must meet the following three criteria:

- at least half of the gross sales of the store are retail sales of grocery products for off-premises consumption, or the store is a membership organization that requires members to be at least 18 years of age;
- the store is at least 9,000 square feet in size; and
- the store did not have more than one public safety violation within the past two years.

The LCB may issue an endorsement to a store smaller than 9,000 square feet if the store meets operational requirements established by the LCB and the LCB finds there are no stores in the community that meet the minimum size requirement.

In addition, specified conditions for beer and wine tasting must be met, including:

- the licensee must be able to observe and control persons in the service area;
- samples are limited to two ounces, up to a total of four ounces, per customer per visit;
- food for participants must be available; and
- customers must remain in the service area.

Stores may advertise tasting events within the store, on a store website, in newsletters and flyers, and via regular mail and electronic mail to customers who have requested notice of events. Advertising may not be targeted to or appeal principally to youth.

The LCB is authorized to establish additional requirements to ensure that persons under 21 years of age and apparently intoxicated persons cannot possess or consume alcohol.

A tasting endorsement may be suspended and not reissued for up to two years if a licensee commits a public safety violation in conjunction with tasting activities. The LCB may assess a monetary penalty in lieu of suspension if mitigating circumstances exist. The LCB may also revoke an endorsement to a store in an alcohol impact area if the tasting activities are having an adverse effect on the reduction of chronic public inebriation.

The fee for the tasting endorsement is \$200 per year. The LCB may increase the fee up to 10 percent annually to defray the cost of administration and enforcement of the endorsement.

**Summary:** The act revises two of the three eligibility criteria that must be met by a grocery store to obtain an endorsement to offer beer and wine tasting.

First, a grocery store's eligibility for the endorsement no longer requires that: (1) at least half of the gross sales of the store are retail sales of grocery products for off-premises consumption; or (2) the store be a membership organization whose members must be at least 18 years of age.

Second, the licensee must operate a fully enclosed retail area that encompasses at least 10,000 square feet. "Fully enclosed retail area" means fully enclosed retail space within a single structure, including storerooms and other interior auxiliary areas but excluding covered or fenced exterior areas, whether or not attached to the structure.

**Votes on Final Passage:**

House	83	12
Senate	32	15

**Effective:**

**VETO MESSAGE ON SHB 1422**

May 1, 2013

To the Honorable Speaker and Members,

The House of Representatives of the State of Washington

Ladies and Gentlemen:

I am returning herewith, without my approval, Substitute House Bill No. 1422 entitled:

"AN ACT Relating to the beer and wine tasting endorsement for grocery stores."

This bill authorizes grocery stores licensed by the Washington State Liquor Control Board to sell beer and wine to apply to the Board for an endorsement to offer beer and wine tasting, if they operate a fully enclosed retail area encompassing at least 10,000 square feet. The intent and policy of this bill is fully covered in Substitute Senate Bill 5517, which I previously signed into law on April 23, 2013. This bill, therefore, is unnecessary.

For this reason I have vetoed Substitute House Bill 1422 in its entirety.

Respectfully submitted,



Jay Inslee  
Governor

**ESHB 1432**

C 123 L 13

Concerning county property tax levies.

By House Committee on Finance (originally sponsored by Representatives Stanford, Hope, Moscoso, Springer, Hayes, Roberts, McCoy, Liias, Kristiansen and Sells).

House Committee on Finance  
Senate Committee on Ways & Means

**Background: Property Tax Limits.** The state Constitution limits regular property tax levies to a maximum of 1 percent of the property's value (\$10 per \$1,000 of assessed value). Individual district rate maximums and aggregate rate maximums to keep the total tax rate for regular property taxes within the constitutional limit. In addition to the 1 percent levy limit, there is a 1 percent cap on the revenues a taxing district may receive each year based on the highest amount levied in the past three years. An individual taxing district with a regular property tax levy must adhere to both the statutory rate limits and the revenue limit.

**Banked Capacity.** While the limit factor constrains regular property tax growth over time, a regular property tax district that chooses to levy an amount that is less than the highest lawful amount allowed under the full limit factor may retain the unused levy capacity for future use. This is known as "banked levy capacity." As a result of banked levy capacity, the amount of tax that a district levies in any one year may be more or less than the amount that would otherwise be expected to be imposed by a district. The levy growth depends on whether the district is banking capacity for future use, tapping previously banked capacity, or neither. The amount of banked levy capacity retained by a district is calculated by reference to the maximum tax levy that the district could have imposed in preceding years minus the actual levies imposed by the district during that same period.

The purpose of authorizing a taxing district to maintain banked levy capacity is to remove the incentive for a taxing district to maintain its tax levy at the maximum lev-

el permitted under state law. Allowing the use of banked levy capacity also protects the future levy capacity of a taxing district that reduces its tax levy below the maximum level that it could otherwise impose under state law.

**Veteran's Assistance and County Mental Health.** State law requires a portion of the county general levy to be used for community services for people with developmental disabilities and for mental health services (Developmental Disability and Mental Health Levy). State law also requires a portion of the general county levy to be used for veteran's assistance programs and other veteran related purposes (Veteran's Assistance Levy). For the Developmental Disability and Mental Health Levy, the county legislative authority must levy a sum equal to the amount that would be raised by a 2.5 cents per \$1,000 of assessed value levy. For the Veteran's Assistance Levy, the county legislative authority must levy a sum equal to the amount that would be raised by a levy of not less than 1-1/8 cents and not more than 27 cents per \$1,000 of assessed value levy. Both of these levies are considered earmarked funds within the county general levy. If the county general levy rate is reduced by the 1 percent levy limit, the amount of the county general levy allocated to these purposes may be reduced in the same proportion. In 2011 the Department of Revenue issued an audit recommendation to the Snohomish County Assessor to continue educating the governing authority regarding the statutory requirements for the allocation of revenues to the Mental Health Fund and the Veteran's Assistance Fund.

**Summary:** The Veteran's Assistance Levy and Developmental Disability and Mental Health Levy may be increased or reduced in the same proportion as the regular county property tax levy, as approved by the county legislative authority. This authorization includes situations where the county legislative authority has decided to not levy the full amount of property tax revenue otherwise allowed under the law and bank the unused levy capacity for future use. However, the Veteran's Assistance Levy and the Developmental Disability and Mental Health Levy do not have to be increased when the certified levy is increased from voter approved levies dedicated to a specific purpose. A county may increase the Veteran's Assistance Levy and the Developmental Disability and Mental Health Levy to an amount greater than the change in the regular county levy.

**Votes on Final Passage:**

House	96	0	
Senate	45	0	(Senate amended)
House	94	0	(House concurred)

**Effective:** July 28, 2013

**SHB 1435**

C 114 L 13

Clarifying agency relationships in reconveyances of deeds of trust.

By House Committee on Judiciary (originally sponsored by Representatives Goodman and Nealey).

House Committee on Judiciary  
Senate Committee on Financial Institutions, Housing & Insurance

**Background:** A deed of trust is a type of security interest in real property. Basically, a deed of trust is a three-party mortgage. The borrower (grantor) grants a deed creating a lien on the real property to a third party (trustee) who holds the deed in trust as security for an obligation due to the lender (beneficiary).

A trustee must reconvey all or any part of the property encumbered by the deed of trust to the proper person entitled thereto upon:

- written request of the beneficiary; *or*
- satisfaction of the obligation secured and written request for reconveyance made by the beneficiary or the proper person.

No time frame is specified for reconveyance; however, unless specifically provided for otherwise, deeds of trust are subject to all the laws relating to mortgages on real property. Under the mortgage laws, when the amount on a mortgage is paid and at the request of any person interested in the property, the mortgagee must execute an instrument in writing acknowledging that the mortgage has been satisfied and record it in the county where the property is located. If a mortgagee fails to acknowledge satisfaction of the mortgage within 60 days from the date of the request, the mortgagor may recover damages and a reasonable attorneys' fee, together with a court order to be recorded with the auditor indicating that the mortgage has been fully satisfied.

**Summary:** The reference to "trustee" is changed to "trustee of record," and it is the trustee of record that has the obligation to reconvey upon written request of the beneficiary or satisfaction of the obligation secured and written request for reconveyance made by the beneficiary or the proper person.

New provisions are added for situations in which the beneficiary has received payment as set forth in its demand statement but fails to request reconveyance within the 60-day period specified under the mortgage laws. A title insurance company or agent, a licensed escrow agent, or an attorney admitted to practice in Washington, who has paid the demand in full from escrow, may act as agent for the person entitled to receive reconveyance. Upon receipt of notice of the beneficiary's failure to request reconveyance, the agent may submit proof of satisfaction and request the trustee of record to reconvey the deed of trust.

If the trustee of record is unable or unwilling to reconvey within 120 days following payment to the beneficiary per the beneficiary's demand statement, the agent may record a notarized Declaration of Payment with each county auditor where the original deed of trust was recorded. The Declaration of Payment must:

- identify the deed of trust, including the original grantor, beneficiary, trustee, loan number if available, and the recording number and date;
- state the amount, date, and name of the beneficiary and means of payment; and
- include a declaration that payment tendered was sufficient to meet the demand and that no written objections have been received.

A copy of the Declaration of Payment must be sent by certified mail to the last known address of the beneficiary and the trustee of record not later than two business days following the date the declaration is recorded. The beneficiary or trustee of record has 60 days from the date of recording to record an Objection to Declaration of Payment. If no such Objection is recorded within 60 days following recording of the notarized Declaration of Payment, any lien of the deed of trust against the encumbered real property ceases to exist.

**Votes on Final Passage:**

House	95	0
Senate	48	0

**Effective:** July 28, 2013

**HB 1442**

C 18 L 13

Providing increased access to parimutuel satellite locations in counties with a population exceeding one million.

By Representatives Schmick, Cody, Hunt, Condotta, Blake and Sullivan.

House Committee on Government Accountability & Oversight  
Senate Committee on Commerce & Labor

**Background:** The Washington Horse Racing Commission (Commission) is responsible for regulating horse racing in Washington. The Commission's regulatory authority includes the licensing of horse racing associations, racing facilities, and the employees who participate in horse racing. It determines the place, time, and duration of race meets and is responsible for their supervision.

A class 1 racing association is one that owns and operates its own race facility and offers at least 40 race days a year.

The Commission may permit only class 1 licensees to conduct parimutuel wagering at satellite locations. To participate, the class 1 licensee must have conducted at least one full live racing season and must hold a live race meet

## E2SHB 1445

within each succeeding 12-month period to maintain eligibility. Only one satellite location may be approved in each county and it may not be operated within 20 driving miles of any class 1 racing facility. The Commission may authorize more than one licensee to conduct wagering at each satellite location.

**Summary:** In counties whose populations exceed one million, the Commission may approve a maximum of two satellite locations where parimutuel wagering may occur.

**Votes on Final Passage:**

House	97	0
Senate	40	8

**Effective:** July 28, 2013

## E2SHB 1445

C 178 L 13

Concerning complex rehabilitation technology products.

By House Committee on Appropriations Subcommittee on Health & Human Services (originally sponsored by Representatives Cody, Green, Jinkins and Morrell).

House Committee on Health Care & Wellness  
House Committee on Appropriations Subcommittee on Health & Human Services  
Senate Committee on Health Care  
Senate Committee on Ways & Means

**Background:** Durable medical equipment, which is considered an optional service for state Medicaid programs, is currently covered in Washington. Durable medical equipment is defined as equipment that: (1) can withstand repeated use; (2) is primarily and customarily used to serve a medical purpose; (3) is generally not useful to a person in the absence of an illness or injury; and (4) is appropriate for use in the client's residence.

Wheelchairs are considered durable medical equipment under the Medicaid program. There are several different categories of wheelchairs. Manual wheelchairs are nonmotorized and capable of being independently propelled. Manual wheelchairs may be classified as standard, lightweight, high-strength lightweight, hemi, pediatric, recliner, tilt-in-space, heavy duty, rigid, custom heavy-duty, and custom manufactured specialty-built. Power wheelchairs are motorized wheelchairs that can be independently driven by a client. Power wheelchairs may be classified as pediatric, noncustomized power, or customized power.

**Summary:** The Health Care Authority (Authority) is directed to establish a separate recognition for individually configured, complex rehabilitation technology products and services for complex needs patients in the Medical Assistance program. The separate recognition must establish a budget and services category that is distinct from other categories, such as durable medical equipment. In addition, the Authority must establish standards to purchase

complex rehabilitation technology products only from qualified complex rehabilitation technology suppliers.

"Complex needs patients" is defined as individuals with a diagnosis or medical condition that results in significant physical or functional needs and capacities. The term does not negate requirements that individuals meet medical necessity requirements to qualify for complex rehabilitation products.

"Complex rehabilitation technology" is defined as wheelchairs and seating systems defined by Medicare as durable medical equipment that are specially configured to meet the specific medical, physical, and functional needs of individuals. Complex rehabilitation technology is primarily used to serve a medical purpose and requires patient evaluations and fitting services to establish the appropriate design, configuration, and use of the equipment.

"Qualified complex rehabilitation technology supplier" means an entity that: (1) is accredited as a supplier of complex rehabilitation technology; (2) meets Medicare standards for durable medical equipment suppliers; (3) employs at least one complex rehabilitation technology professional at each site who is physically present to assess patient needs and assist in product selection and training; and (4) provides service and repairs for the products that it sells, as well as information about receiving service and repair.

**Votes on Final Passage:**

House	91	7
Senate	46	0 (Senate amended)
House	92	3 (House concurred)

**Effective:** January 1, 2014

## HB 1447

C 115 L 13

Modifying the boundaries of certain heavy haul corridors.

By Representatives Fey, Hargrove, Clibborn and Zeiger.

House Committee on Transportation  
Senate Committee on Transportation

**Background:** The Washington State Department of Transportation (WSDOT) may enter into agreements with ports to designate short, heavy-haul industrial corridors on state highways within port district property. These corridors allow for the movement of overweight sealed containers used in international trade. The WSDOT may issue special permits to vehicles on these corridors so long as certain weight limit requirements are met.

A 3.63 mile-long segment of State Route 509 has been designated as a heavy-haul corridor. Pursuant to the 2012 Supplemental Transportation Budget, the heavy-haul corridor could be extended by 1.82 miles to the vicinity of Norpoint Way Northeast. The authority for this extension expires at the end of the 2011-2013 biennium.

**Summary:** The heavy-haul corridor on State Route 509 may be extended by 1.82 miles to the vicinity of Norpoint Way Northeast upon agreement by the WSDOT and the port.

**Votes on Final Passage:**

House	97	0
Senate	47	0

**Effective:** July 1, 2013

**EHB 1450**

C 22 L 13 E2

Regarding assessments in public schools.

By Representatives Hunt and Pollet; by request of Superintendent of Public Instruction.

House Committee on Education

**Background:** *Statewide Student Assessment System.* The Superintendent of Public Instruction (SPI), in consultation with the State Board of Education (SBE), is authorized to maintain and revise a statewide academic assessment system to measure student knowledge and skills on state learning standards and to use for purposes of state and federal accountability. The assessment system must cover the content areas of reading, writing, mathematics, and science for elementary, middle, and high school years.

In 2008 legislation was enacted requiring high school mathematics to be assessed using end-of-course tests (EOCs) in Algebra I and Geometry. In 2011 legislation directed that high school science be assessed using a Biology EOC.

The federal Elementary and Secondary Education Act (ESEA) requires states to assess students based on state learning standards in reading and mathematics in each of grades 3 through 8 and one high school grade, as well as in at least one grade in elementary, middle, and high school in science.

The SBE is responsible for establishing the performance scores that students must meet on state assessments. The Legislature must be advised of any initial scores and any proposed changes. Changes to scores on high school assessments must be presented to the Education Committees by November 30 of the school year in which they will take effect to permit legislative action, if necessary.

*High School Graduation.* Since the graduating class of 2008, Washington students have been required to meet the state standard on the assessment in reading and writing for high school graduation. Students in the graduating classes of 2013 and 2014 will also have to meet the standard in at least one of the mathematics EOCs. Beginning with the graduating class of 2015, students will have to meet the standard on the state assessment in reading, writing, two mathematics EOCs, and the Biology EOC for high school graduation.

Students may use equivalent scores on the SAT or ACT or scores on specified Advanced Placement tests as alternatives to the state assessment for purposes of meeting the graduation requirement.

*Multistate Standards and Consortium Assessments.* In 2011 the SPI adopted the Common Core State Standards (CCSS) as the state learning standards for English Language Arts (ELA) and mathematics. The CCSS were developed by a multistate consortium in which Washington took part. Washington is also participating in a multistate consortium to develop new student assessments for the CCSS. The Smarter Balanced Assessment Consortium (SBAC) will have assessments ready for states to use in 2014-15 for federal accountability purposes. The SBAC high school assessments in ELA and mathematics will be set at a college and career readiness level, to be administered in 11th grade.

Washington has also participated in a multistate consortium to develop new science learning standards. The Next Generation Science Standards (NGSS) were released in April 2013 but have not yet been adopted by the SPI. There is no timeline or plan for development of an assessment for the NGSS.

The GET Ready for Math and Science Scholarship Program provides a scholarship to students who receive the top score on the mathematics or science portions of the high school assessment. The current law refers to the "10th grade" assessment, which is no longer accurate.

**Summary:** *Statewide Student Assessment System.* The SPI is directed to implement student assessments developed with a multistate consortium in the ELA and mathematics, beginning in the 2014-15 school year. References to reading and writing as they pertain to the statewide student assessment system are replaced with references to the ELA. The SPI must also use test items from the consortium assessments to develop a 10th grade ELA assessment and modify the Algebra I and Geometry EOCs for use through a transition period.

The SBE must establish performance scores for the new assessments by the end of the 2014-15 school year. In setting scores for the high school consortium assessments, the SBE must review the experience during the transition period, examine scores used in other states for the consortium assessments, and review states that require passage of an 11th grade assessment for graduation. The scores established for purposes of graduation may be different from the scores used for the purpose of determining career and college readiness.

*High School Graduation.* Beginning with the graduating class of 2019, the high school assessments in the ELA and mathematics from the multistate consortium are used to demonstrate that students meet the state standard in those subjects.

During the period of transition to the new assessments:

- Students in the graduating classes of 2015 through 2018 must meet the state standard on either the Algebra or the Geometry EOC, rather than on both EOCs.
- Students in the graduating class of 2016 have the additional option to use results from the consortium ELA and mathematics assessments administered beginning in 2014-15 instead of the state reading, writing, and mathematics EOC assessments.
- Students in the graduating classes of 2017 and 2018 must meet the standard on a new 10th grade ELA assessment instead of the state reading and writing assessments. These students also have the option of using results from the consortium assessments in ELA and mathematics.

No change is made to the requirement for students starting with the class of 2015 to meet the state standard on a Biology EOC. The Legislature intends to transition from a Biology EOC to a comprehensive science assessment in a similar fashion as the transition to ELA assessments and a comprehensive mathematics assessment, including using at least two years of results from the assessment. The SPI must develop or adopt a science assessment that is not biased. After the Legislature directs the SPI to develop or adopt a new science assessment, the SPI must review the alternative assessments for science and make recommendations for additional alternatives, if any.

A score of four or higher on specified International Baccalaureate exams may be used as an alternative to the state assessment for graduation purposes.

*Other Topics.* By December 1, 2013, the SPI must submit a report to the Education Committees regarding the process used by the SPI, the multistate consortium, and other states to prevent bias and assure fairness in assessments.

At the beginning of each school year, districts must notify parents of enrolled students in grades 8 through 12 about each student assessment required by the state, the minimum state graduation requirements, and any additional local graduation requirements. Information to be provided about the assessments is specified, and the OSPI must provide the information to school districts so that they may in turn provide it to parents.

References to the high school assessments in mathematics and science are corrected as they pertain to the GET Ready for Mathematics and Science Scholarship Program.

**Votes on Final Passage:**

Second Special Session

House	81	8
Senate	36	12

**Effective:** September 28, 2013

**SHB 1456**

C 124 L 13

Authorizing pretax payroll deductions for qualified transit and parking benefits.

By House Committee on Government Operations & Elections (originally sponsored by Representatives Hunt, Moscoso, Seaquist, Blake, Riccelli, Reykdal, Stanford, Fitzgibbon and Bergquist).

House Committee on Government Operations & Elections  
Senate Committee on Governmental Operations

**Background:** Subject to specified requirements, public officers and state employees may request payroll deductions for the following:

- credit union deposit deductions;
- parking fee payment deductions;
- United States savings bond deductions;
- deductions for board, lodging, or uniforms, when furnished by the state;
- membership dues and other fees to professional organizations;
- insurance contributions for payment of premiums under contracts authorized by the Washington State Health Care Authority;
- deductions for payments to a bank, savings bank, or savings and loan association; and
- contributions to the Washington State Combined Fund Drive.

Parking fee payroll deductions are authorized only for payments made for parking facilities furnished by an agency or by the Department of Enterprise Services (DES).

**Summary:** Public officer and state employee parking fee payment deductions for qualified transit and parking benefits must, to the extent possible, be pretax for benefits allowed under the federal internal revenue code.

**Votes on Final Passage:**

House	65	31
Senate	41	7

**Effective:** July 28, 2013

**SHB 1466**

C 222 L 13

Revising alternative public works contracting procedures.

By House Committee on Capital Budget (originally sponsored by Representatives Haigh, Warnick, Dunshee, Fey, Kristiansen and Reykdal).

House Committee on Capital Budget  
Senate Committee on Governmental Operations  
Senate Committee on Ways & Means

**Background:** Capital Projects Advisory Review Board. In 2005 the Capital Projects Advisory Review Board (CPARB) was established to monitor and evaluate the use of traditional and alternative public works contracting procedures and to evaluate potential future use of other alternative contracting procedures. The CPARB also provides a forum in which best practices and concerns about alternative public works contracting may be discussed.

The CPARB consists of 23 members. Of those, 14 are appointed by the Governor. The CPARB also includes four legislators, two from the House of Representatives, appointed by the Speaker of the House, and two from the Senate, appointed by the President of the Senate, one from each major caucus. Three of the members are selected by public owners, including the Association of Washington Cities, the Washington State Association of Counties, the Washington Public Ports Association, Washington Public Hospital Districts, and the Washington State School Director's Association.

Alternative Contracting Procedures. Alternative forms of public works were first used on a very limited basis and then adopted through enacted legislation in 1994 for certain pilot projects. These alternative procedures included a Design Build process and a General Contractor/Construction Manager (GC/CM) process that may be used on projects costing in excess of \$10 million. Certain public agencies that have proper experience and that will have many projects may be certified by the CPARB to use alternative procedures for up to three years. The CPARB may renew their certifications for an additional three years. Other public agencies without experience may be certified for a designated project for three years.

With some restrictions, a limited number of public entities are authorized to use alternative public works contracting procedures. These public entities include:

- the Department of General Administration;
- the University of Washington;
- the Washington State University;
- cities with a population greater than 70,000 and any public authority chartered by these cities;
- counties with a population greater than 450,000;
- public hospital districts with total revenues greater than \$15 million;
- port districts with total revenues greater than \$15 million per year;
- public utility districts with revenues from energy sales greater than \$23 million per year;
- school districts for the GC/CM projects; and
- the state ferry system.

The authorization to use alternative public works procedures expires June 30, 2013.

Design Build. The Design Build procedure is a multi-step competitive process to award a contract to a single firm that agrees to both design and build a public facility

that meets specific criteria. It may be used on projects valued over \$10 million where:

- the construction activities or technologies to be used are highly specialized and a design-build approach is critical in developing the construction methodology or implementing the proposed technology;
- the project design is repetitive in nature and is an incidental part of the installation or construction; or
- regular interaction with and feedback from facilities users and operators during design is not critical to an effective facility design.

The contract is awarded following a public request of proposals for Design Build services. Following extensive evaluation of the proposals, the contract is awarded to the firm that submits the best and final proposal with the lowest price.

General Contractor/Construction Manager. The GC/CM method employs the services of a project management firm that bears significant responsibility and risk in the contracting process. The government agency contracts with an architectural and engineering firm to design the facility and, early in the project, also contracts with a GC/CM firm to assist in the design of the facility, manage the construction of the facility, act as the general contractor, and guarantee that the facility will be built within budget. When the plans and specifications for a project phase are complete, the GC/CM firm subcontracts with construction firms to construct that phase. Initial selection of the GC/CM finalists is based on the qualifications and experience of the firm.

Job Order Contracting. In 2003 Job Order Contracting was authorized as an alternative public works contracting procedure. Under a job order contract, a contractor agrees to perform an indefinite quantity of public works jobs, defined by individual work orders, over a fixed period of time. A public entity may not have more than two job order contracts in effect at any one time. The maximum total dollar amount that is awarded under a job order contract may not exceed \$3 million in the first year, \$5 million over the first two years, or \$8 million over a three-year period, if the contract is renewed or extended.

**Summary:** The use of alternative public works contracting procedures is extended to June 30, 2021.

Capital Projects Advisory Review Board. The representative from the Association of Washington Cities is appointed by the Governor rather than being self-appointed.

Design Build. Changes to using the Design Build process include modifying the criteria necessary to be eligible to use the process where only one criteria needs to be met. Criteria include:

- personnel from the public body or their consultants must be knowledgeable;
- the construction must be highly specialized;
- there is opportunity for innovation between the contractor and consultant; and



- the project can be done in a shorter construction schedule.

The Capital Projects Advisory Review Board must report to the Legislature on the use of life cycle cost analysis when selecting a design build contractor

Changes to evaluating Design Build proposers include adding:

- the option of using experience in the utilization of disadvantaged businesses and small businesses;
- operating costs and price related factors, rather than the proposal price; and
- outreach plans to disadvantaged businesses and small businesses.

Eligible project types are modified to include portable facilities used for K-12 school facilities. Prefabricated buildings are limited to no more than 10 per site.

**General Contractor/Construction Manager.** The certification for certain public agencies with experience may be renewed for multiple three-year periods. Other public agencies without experience may be certified for three years. The \$10 million dollar requirement is removed. Preconstruction services are added to the scope of services that may be provided by the GC/CM to the public body. The evaluation factors for selecting a GC/CM may include outreach plans to disadvantaged businesses and small businesses.

The protest procedures are modified to include notification of all of the firms qualified for the next phase of selection, and to all subcontractors that submitted bids. If requested, the GC/CM must provide the scoring results to all subcontractors that submitted bids in that phase of the process.

**Job Order Contracting.** Job Order Contracting requirements are modified and may only be used by public bodies of Washington. The maximum contract amount per year is increased from \$4 million to \$6 million for counties with a population over one million people.

**Votes on Final Passage:**

House	95	0	
Senate	47	0	(Senate amended)
House	81	16	(House concurred)

**Effective:** June 30, 2013  
Contingent (Section 24)

**HB 1468**

C 125 L 13

Modifying payment methods on certain claimants' benefits.

By Representatives Sells, Reykdal, Manweller, Condotta, Ormsby, Van De Wege, Fagan and Green; by request of Department of Labor & Industries.

House Committee on Labor & Workforce Development  
Senate Committee on Commerce & Labor

**Background:** The Department of Labor and Industries (Department) administers the Crime Victims' Compensation Program, which generally provides benefits to victims of criminal acts, subject to certain limitations. The Department also administers the Industrial Insurance Act that pays benefits such as wage replacement and medical expenses to workers injured in the course of employment.

Traditionally, the Department has paid benefits to claimants by checks called "warrants." Various sections of the statutes governing these programs use the term "warrant" or "check" when referencing how payment of benefits is made.

**Summary:** The terms "check" and "warrants" are replaced with the term "payments" in various statutes governing the Crime Victims' Compensation Program and the Industrial Insurance Act. Explicit language is added to the relevant statutes to allow payments to be made by debit card or other electronic means. For the purposes of industrial insurance, the claimant must request in writing to have payments made using a debit card or other electronic means, and use of these payment options is at the discretion of the Department or the self-insured employer.

**Votes on Final Passage:**

House	97	0
Senate	48	0

**Effective:** July 28, 2013

**HB 1469**

C 80 L 13

Addressing industrial insurance for horse racing employment.

By Representatives Schmick, Sells, Reykdal, Fagan, Green, Condotta, Short, Ormsby and Van De Wege; by request of Department of Labor & Industries.

House Committee on Labor & Workforce Development  
Senate Committee on Commerce & Labor

**Background:** The Washington Horse Racing Commission (WHRC) regulates the horse racing industry and licenses participants in the industry. Some of the participants requiring licenses include trainers, assistant trainers, grooms, exercise riders, and pony riders. The WHRC also collects workers' compensation premiums as-

essed by the Department of Labor and Industries (Department).

Premiums are collected from owners and trainers, and assessments are not experience rated. Trainers must pay the premium assessment for each person in their employ. The premium rate depends upon the type of licenses the trainer's employees have. Premiums owed by trainers also vary depending on the type of race track where the trainer is licensed. Premiums must be collected at the time the license is issued or renewed.

In 2012 the WHRC, the Washington Horsemen's Benevolent and Protective Association and the Department worked together to discuss new rules for risk classifications for certain horse racing employees and changes to how premiums would be assessed and collected. The WHRC has since adopted new rules that took effect in December 2012.

**Summary:** The requirements that premiums be computed on a per license basis and that premiums be collected at the time the license is issued or renewed are removed. Instead, rates will be established by rules adopted by the Department and the WHRC. Premiums may vary according to the risk insured, as determined by rule, rather than based on the differences in working conditions at different tracks.

References to "hotwalker," a term that is no longer used, are removed.

**Votes on Final Passage:**

House	92	0
Senate	48	0

**Effective:** July 28, 2013

**HB 1471**  
**PARTIAL VETO**  
C 319 L 13

Updating and aligning with federal requirements hospital health care-associated infection rate reporting.

By Representatives Riccelli, Schmick, Cody, Clibborn, Ross, Short, Rodne, Green, Angel and Morrell; by request of Department of Health.

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

**Background:** Hospitals are required by federal and state law to collect and report certain health care-associated infection (HAI) data. A HAI is a localized or systemic condition that results from adverse reactions to the presence of infectious agents or toxins that were not present or incubating at the time the patient was admitted to the hospital. According to the Centers for Disease Control and Prevention (CDC), there are 1.7 million HAIs every year that affect 5 percent of all patients admitted to hospitals nationwide. These infections add \$26-\$33 billion in ex-

cess costs, and contribute to 99,000 associated deaths annually.

Washington requires acute care hospitals to report certain HAIs to the CDC's National Healthcare Safety Network (NHSN). The NHSN is a voluntary, secure, internet-based surveillance system that integrates patient and healthcare personnel safety surveillance systems. The Centers for Medicare and Medicaid Services (CMS) also require that hospitals report certain infections to the NHSN. These requirements apply to central line-associated bloodstream infections (CLABSI), ventilator-associated pneumonia, and some surgical site infections. In the event that the NHSN does not support specified HAI reporting, hospitals must report the data to the Washington State Hospital Association and the Department of Health (Department) must publicly report the infection rates on its website. The Department also is responsible for assessing the quality of HAI surveillance data.

In 2011 the Department submitted to the Legislature the HAI Advisory Committee's report and recommendations for reporting requirement changes. The recommendations include:

- deleting the ventilator-associate pneumonia rate reporting requirement;
- expanding the scope of CLABSI reporting to include all in-patient areas of hospitals;
- replacing the current list of specific surgical site infections required with the list provided by CMS; and
- replacing the annual reporting requirement on methicillin resistant staphylococcus aureus presurgical screening with biennial reporting.

**Summary:** Hospitals must report health care-associated infection (HAI) data to the National Healthcare Safety Network system rather than to the Washington State Hospital Association. The following changes are incorporated into the reporting requirements:

- ventilator-associated pneumonia reporting is eliminated;
- central line-associated bloodstream infection reporting is expanded to include all in-patient hospital areas;
- reporting of surgical site infections for colon procedures is added;
- reporting of surgical site infections for vaginal hysterectomy procedures is eliminated; and
- as of July 1, 2017, reporting of surgical site infections for deep sternal wounds for cardiac surgery and total hip and knee replacement surgery is eliminated.

The Department of Health is granted rulemaking authority to add, delete, or modify reporting requirements as needed to stay consistent with federal requirements.

The requirement that the HAI Advisory Committee make an annual methicillin resistant staphylococcus aure-

us testing recommendation is eliminated. Instead, the Department of Health is required to produce a biennial report to the Legislature that contains: current reporting categories, any proposed changes, and a description of the evaluation process that checks the quality and accuracy of hospital data.

**Votes on Final Passage:**

House	98	0	
Senate	46	0	(Senate amended)
House			(House refused to concur)
Senate	46	0	(Senate amended)
House	96	0	(House concurred)

**Effective:** July 28, 2013  
July 1, 2017 (Section 2)

**Partial Veto Summary:** Technical provisions regarding the expiration of the specific health care-associated infections are eliminated.

**VETO MESSAGE ON HB 1471**

May 21, 2013

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

Ladies and Gentlemen:

I am returning herewith, without my approval as to Section 3, House Bill 1471 entitled:

"AN ACT Relating to updating and aligning with federal requirements hospital health care-associated infection rate reporting."

This bill requires the Department of Health to update hospital reporting requirements for health care-associated infections to align with nationally recommended measures. These measures add value to the public and advance patient safety. The bill also gives the Department important rule-making authority to stay consistent with federal requirements.

However, I am vetoing Section 3 of the bill because Section 3 would make Section 1 expire in 2017. Section 1 makes needed substantive changes that I do not believe should expire, nor was that the intent of the legislature.

For these reasons I have vetoed Section 3 of House Bill 1471. With the exception of Section 3, House Bill 1471 is approved.

Respectfully submitted,



Jay Inslee  
Governor

Providing initiatives to improve and expand access to computer science education.

By House Committee on Education (originally sponsored by Representatives Hansen, Habib, Freeman and Magendanz).

House Committee on Education  
House Committee on Appropriations Subcommittee on Education

Senate Committee on Early Learning & K-12 Education  
Senate Committee on Ways & Means

**Background:** According to data maintained by the Office of the Superintendent of Public Instruction (OSPI), 35 high schools in the state are approved to offer Advanced Placement (AP) Computer Science, and just under 700 students were enrolled in AP Computer Science courses in 2011-12.

Although computer science is a career and technical education (CTE) course, school districts have been directed to examine their credit-granting policies and award academic credit for CTE courses that are determined to be equivalent to an academic course. The OSPI has developed a course equivalency toolkit to assist districts in making these determinations. School districts are encouraged to consider computer programming as equivalent to a mathematics course. There is no data collected on district credit-granting policies.

To meet state high school graduation requirements, students must take Algebra I and Geometry in order to pass the state end-of-course assessments in those subjects. The State Board of Education has established Algebra II as the third credit of mathematics required for graduation, but students may select an alternative course based on their High School and Beyond Plan. Two credits of science are required for graduation, one of which must be a laboratory science. One of the minimum admissions requirements for public four-year institutions of higher education is that students take a math-based quantitative course in their senior year.

**Summary:** School districts must approve AP Computer Science as equivalent to a high school mathematics or science course, and must denote on a student's transcript that AP Computer Science qualifies as a math-based quantitative course for students who take it in their senior year. For AP Computer Science to be equivalent to high school mathematics, a student must be enrolled in or have completed Algebra II.

**Votes on Final Passage:**

House	95	3	
Senate	46	1	(Senate amended)
House	95	0	(House concurred)

**Effective:** July 28, 2013

**HB 1474**

C 143 L 13

Giving general election voters the power to choose between the top two candidates for nonpartisan offices.

By Representatives Pedersen, Rodne, Goodman, Buys, Hunt, Hunter, Hudgins, Carlyle, Fey and Pollet.

House Committee on Government Operations & Elections  
Senate Committee on Governmental Operations  
Senate Committee on Ways & Means

**Background:** Election law stipulates that the two candidates who receive the most votes in the primary must advance to the general election. An exception exists for the offices of justice of the Washington Supreme Court, judge of the court of appeals, judge of the superior court, and the Superintendent of Public Instruction. In those races, if a candidate receives a majority of the votes in the primary, only his or her name may appear on the general election ballot. The effect of this provision is that, in many cases, those offices are essentially elected at the primary.

**Summary:** The provision of law that allows only the name of a candidate for a judicial office or the Superintendent of Public Instruction who receives a majority of votes in the primary to appear on the general election ballot is removed. The names of the two candidates who receive the most votes in the primary for these offices must appear on the general election ballot.

**Votes on Final Passage:**

House	97	0	
Senate	37	9	(Senate amended)
House	95	0	(House concurred)

**Effective:** July 28, 2013

**ESHB 1480**

C 126 L 13

Concerning the provision of prescription drugs by direct practice providers.

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

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

**Background:** A direct practice is a provider, group of providers, or entity that:

- charges a fee (known as the "direct fee") for primary care services;
- provides only primary care;
- describes the services it provides and fees that it charges in written agreements with patients; and
- does not bill insurance.

Direct practices are not considered insurance and are therefore exempt from most insurance laws.

A direct practice may not provide prescription drugs in consideration for the direct fee. However, a direct practice may charge an additional fee for medications that are specifically excluded under the patient's agreement with the practice; the direct practice must notify the patient of the additional charge prior to delivery of the medications.

A direct practice may pay for charges associated with lab and imaging services. Payments for lab and imaging services may not exceed 15 percent of the direct fee charged to the patient, except in cases of short-term equipment failure.

**Summary:** A direct practice may pay for charges associated with the dispensing, at no additional cost to the direct patient, of an initial supply of generic prescription drugs prescribed by the direct provider. The initial supply may not exceed 30 days. In aggregate, payments for prescription drugs and lab and imaging services may not exceed 15 percent of the direct fee charged to the patient.

**Votes on Final Passage:**

House	97	0
Senate	48	0

**Effective:** July 28, 2013

**EHB 1493**

C 198 L 13

Concerning the property taxation of mobile homes and park model trailers.

By Representatives Springer, Warnick, Hansen, Short, Orcutt, Tharinger, Seaquist, Zeiger, Hunt, Wilcox, Nealey, Morrell, Moscoso, Liias, Stanford, Hudgins, Green, Pettigrew, Moeller, Appleton, Ryu, Bergquist and Stonier.

House Committee on Finance  
Senate Committee on Financial Institutions, Housing & Insurance

**Background:** Property Tax. All real and personal property is subject to property tax each year based on its value, unless a specific exemption is provided by law. There are two classes of property. Real property consists of land and the buildings, structures, and improvements that are affixed to land. Personal property consists of all other property, such as machinery, equipment, furniture, and supplies of businesses. Mobile homes or park model trailers that are not affixed to real property are subject to personal property taxes.

Mobile Homes. The Manufactured/Mobile Home Landlord Tenant Act (MMHLTA) governs the legal rights, remedies, and obligations arising from a rental agreement between a landlord and a tenant of a mobile home lot. The MMHLTA covers issues such as the required contents of rental agreements, duties of landlords and tenants, grounds for termination of tenancy, and rules with respect to the transfer of the rental agreement.

The landlord of a mobile home park may take ownership of a mobile home with the intent to resell or rent after the unit has been abandoned or has been awarded to the landlord as part of a final court judgment for restitution of the premises. However, if the landlord does take ownership of the mobile home, any outstanding taxes become the responsibility of the landlord.

**Summary:** The landlord of a manufactured/mobile home park may submit a signed affidavit to the county assessor to seek removal of any outstanding taxes, penalties, and interest under specific circumstances. The affidavit must indicate that the landlord has taken ownership of a manufactured/mobile home with the intent to resell or rent. The manufactured/mobile home must have been abandoned or awarded to the landlord as part of a final court judgment for restitution of the premises, and the title must have been transferred to the landlord. In addition, the most current assessed value of the manufactured/mobile home must be less than \$8,000. The county treasurer, after notification by the county assessor, must remove from the tax rolls any outstanding taxes, interest, and penalties on the manufactured/mobile home or park model trailer. After outstanding taxes, interest, and penalties are removed from the tax rolls, all future taxes are the responsibility of the owner of the manufactured/mobile home.

**Votes on Final Passage:**

House	96	0	
Senate	46	2	(Senate amended)
House	95	0	(House concurred)

**Effective:** July 28, 2013

**SHB 1498**

C 292 L 13

Improving reports on electronic waste collection.

By House Committee on Environment (originally sponsored by Representatives Upthegrove, Short and Ryu).

House Committee on Environment  
Senate Committee on Energy, Environment & Telecommunications

**Background:** Since 2009 the E-Cycle program has allowed for the recycling of electronic waste at no direct cost to consumers. Electronic products covered by the E-Cycle law include televisions, monitors, computers, laptops, and tablets. Accessories such as computer keyboards are not recyclable through E-Cycle.

Under the E-Cycle law, manufacturers of covered electronic products are required to participate in an electronics recycling program. The E-Cycle law allows for the establishment of multiple electronics recycling programs, should manufacturers choose to develop alternative programs. However, to date, the only electronics recycling program that has been established is operated by the Washington Materials Management and Financing Au-

thority (WMMFA), a public body whose creation was required by the E-Cycle law. The Department of Ecology (DOE) oversees certain WMMFA activities; their role includes the review of program plans and operations, and the enforcement of provisions of the E-Cycle law. Manufacturers fund WMMFA operations through payments based on a combination of each manufacturer's:

- percentage by weight of electronic products sold in the state ("market share"); and
- percentage by weight of electronic products collected through E-Cycle ("return share").

To determine the "return share" attributable to each manufacturer participating in the program, the E-Cycle law establishes a sampling mechanism designed to produce statistically significant information regarding the brand names collected for each type of electronic product, the number of electronic products collected by product type, and the weight of electronic products by brand name and product type.

The WMMFA and any other entities which operate electronics recycling programs under the E-Cycle law must file an annual report with the DOE. Among the items that must be included in the annual report are:

- the total weight, reported by county, of electronic products collected through E-Cycle;
- lists of recycling processors used by the program, manufacturers participating in the program, and collection services and sites established by the program; and
- the results of the sampling of collected electronics by brand name and product type.

**Summary:** The WMMFA and other electronic products recycling programs must include certain information as part of the annual report filed with the DOE. The additional information that must be incorporated into the annual report includes:

- the total weight of collected products by type of electronic product;
- a description of the program's collection, transportation, recycling, and processing methods;
- an estimate of the weight of each type of material recovered after processing of the collected materials;
- an estimate of the percentage, by weight, of materials collected under the program that are ultimately reused, recycled, or disposed of as residual waste;
- a description of program costs and revenues, including information on the average cost of the program per pound of covered electronic product collected; and
- a detailed accounting of costs associated with program delivery and administration.

**Votes on Final Passage:**

House	94	3
Senate	47	0

**Effective:** July 28, 2013

## SHB 1499

C 258 L 13

Concerning the program of all-inclusive care for the elderly.

By House Committee on Appropriations Subcommittee on Health & Human Services (originally sponsored by Representatives Jinkins, Harris, Cody, Fitzgibbon, Ryu, Roberts, Fey and Pollet).

House Committee on Health Care & Wellness

House Committee on Appropriations Subcommittee on Health & Human Services

Senate Committee on Health Care

**Background:** The Program for All-Inclusive Care for the Elderly (PACE) is one of several long-term care services programs offered by the Department of Social and Health Services to help elderly clients remain in the community. The PACE is a capitated benefit that may be offered under a state's Medicaid program. The PACE integrates necessary long-term care, medical services, mental health services, and alcohol and substance abuse treatment services. The PACE is available to people who:

1. are (a) age 65 or older or (b) age 55 or older and blind or disabled;
2. need nursing facility level of care;
3. live within a PACE provider's designated service area; and
4. are not enrolled in any other Medicare or Medicaid prepayment plan or optional benefit.

Individuals enrolled in the PACE must agree to receive services exclusively through the PACE provider and its network of providers. The available long-term care services under PACE include care coordination, home and community-based services, and nursing facility care. The medical care services available under the PACE include primary medical care, vision care, end of life care, restorative therapies, oxygen therapy, audiology, transportation, podiatry, durable medical equipment, dental care, pharmaceutical products, immunizations and vaccines, emergency care and inpatient hospital stays.

Individuals may voluntarily disenroll in the PACE at any time. Under state law, individuals may also be involuntarily disenrolled from the PACE under several circumstances, including if they no longer meet the nursing facility level of care requirement.

**Summary:** The Department of Social and Health Services (DSHS) must allow long-term care clients who are enrolled in the Program for All-Inclusive Care for the Elderly (PACE) to remain in PACE, if the client so chooses, despite having improved status related to functional criteria for nursing facility level of care.

The DSHS must develop and implement a coordinated plan to educate specified people about the PACE site operations. The plan must include a strategy to assure that case managers and other staff who make eligibility determinations discuss with potentially eligible clients the option of enrolling in the PACE and the potential benefits of participating. The plan must also require that referrals for an evaluation are made to a PACE provider for all clients who (1) are eligible for the Community Options Program Entry System waiver program, (2) are 55 years old or over, and (3) live in a PACE service area. Lastly, the plan must require additional and ongoing training related to informing clients of the benefits of remaining in the PACE. The DSHS must identify a private entity that operates the PACE program sites in Washington to provide the training at no cost to the state.

### Votes on Final Passage:

House	98	0
Senate	46	0

**Effective:** July, 28, 2013

## SHB 1512

C 127 L 13

Concerning fire suppression water facilities and services provided by municipal and other water purveyors.

By House Committee on Local Government (originally sponsored by Representatives Takko, Kochmar, Fitzgibbon, Buys, Sullivan, Magendanz, Springer, Van De Wege and Ryu).

House Committee on Local Government

Senate Committee on Governmental Operations

**Background:** Over 17,000 public water systems exist in this state. Public water systems may be owned by public, private nonprofit, or investor-owned utilities. Many publicly-owned public water systems are owned and operated by cities, towns, and water-sewer districts. Irrigation districts, public utility districts, and counties may also own and operate public water systems.

Water-sewer districts (districts) may purchase, construct, maintain, and supply waterworks to furnish water to inhabitants within and outside of the district, and may develop and operate systems of sewers and drainage. Districts may also create facilities, systems, and programs for the collection, interception, treatment, and disposal of wastewater, and for the control of pollution from the wastewater. Districts are authorized to establish rates and charges for providing water and sewer services.

Cities and towns may provide for the sewerage, drainage, and water supply of the city or town, and may establish, construct, and maintain water supply systems and systems of sewers and drains within or without their corporate limits. Cities and towns are also authorized to establish rates and charges for providing water and sewer

services. In 2002 the Legislature passed House Bill 2902, which expressly authorizes cities and towns operating water supply systems to include fire hydrants as an integral utility service incorporated within general rates.

Counties may purchase, construct, and maintain a system or systems of water supply within the county. Counties may control, regulate, operate, and manage such systems and provide funds by general obligation bonds, revenue bonds, and local improvement district bonds or assessments.

**Public Water Systems.** A public water system is any system providing water intended for, or used for, human consumption or other domestic uses. It includes water source, purifying treatment, storage, transmission, pumping, and distribution facilities where water is furnished to a community or individuals, or is made available to the public for human consumption or domestic use. It does not include water systems serving one single-family residence.

A "purveyor" means any agency or subdivision of the state, or any municipal corporation, firm, company, mutual or cooperative association, institution, partnership, or person or any other entity, that owns or operates for wholesale or retail service a public water system. It also means the authorized agents of any such entities.

Under the Public Water System Coordination Act of 1977, the Secretary of the Department of Health must adopt performance standards relating to fire protection to be incorporated into the design and construction of new and expanding public water systems. The standards must be consistent with applicable national standards.

**Local Government Funding of Fire Hydrants.** Case law provides that a local government does not have power to impose taxes without statutory or constitutional authority. Local governments may impose a fee pursuant to their general police power under the Washington Constitution.

In *Lane v. City of Seattle* (2008) (*Lane*), the Washington Supreme Court held that providing fire hydrants is a government responsibility, not a proprietary one, for which the government must pay out of its General Fund. In reaching its holding, the court also found that the public utility's monthly fire hydrant charge paid by water utility ratepayers was a tax and not a fee for three reasons: (1) the purpose of the charge was to increase revenue and not to regulate fire hydrants or water usage; (2) ratepayers paid the same fixed charge whether they used the hydrants or not; and (3) all persons benefitted from the hydrants, not just ratepayers.

Under the Washington Constitution: "No tax shall be levied except in pursuance of law; and every law imposing a tax shall state distinctly the object of the same to which only it shall be applied." The court in *Lane* held that the monthly fire hydrant fee, which was in actuality a tax, was an unlawful tax that violated the constitution, because it neither explicitly stated the imposition of a tax, nor stated the object of the tax.

In *City of Tacoma v. City of Bonney Lake* (2012) (*Bonney Lake*), the Washington Supreme Court considered issues similar to those considered in *Lane*.

Tacoma and Tacoma Public Utilities had franchise agreements with Pierce County, Fircrest, University Place, and Federal Way to provide water services. Prior to *Lane*, Tacoma paid for fire hydrants in its jurisdiction and the other jurisdictions by charging ratepayers a hydrant fee. Following *Lane*, Tacoma and Tacoma Public Utility ceased charging Tacoma ratepayers and sent bills to the other jurisdictions for hydrant costs. The jurisdictions refused to pay the costs.

Ultimately, the court in *Bonney Lake* held that Tacoma, acting in a proprietary capacity in entering into the franchise agreements, was contractually obligated by the agreements to provide hydrant services and to bear the costs of those services. It noted that Tacoma and Tacoma Public Utilities could have negotiated for the cost of the hydrants to be borne by the other jurisdictions, but it had not. The court also declined to find that a charge for hydrants always results in a tax, and held that whether a charge is a tax or a fee depends on how the charge is levied.

**Summary: Intent.** Legislation was enacted specifically in response to the Washington Supreme Court cases of *Lane* and *Bonney Lake*. The Legislature finds that governmental and nongovernmental water purveyors play a key public service role in providing water for fire protection, and there is uncertainty and confusion as to a water purveyor's role, responsibilities, cost allocation, and recovery authority related to those services. This act addresses that uncertainty and confusion.

**Definitions.** Frequently used terms are defined, including:

- "fire suppression water facilities," which means water supply transmission and distribution facilities, interties, pipes, valves, control systems, lines, storage, pumps, fire hydrants, and other facilities, or any part thereof, used or usable for the delivery of water for fire suppression purposes; and
- "fire suppression water services," which means operation and maintenance of fire suppression water facilities and the delivery of water for fire suppression purposes.

**Cost Allocation and Recovery.** A purveyor may allocate and recover the costs of fire suppression water facilities and services: (1) from all customers as costs of complying with state law and regulations; (2) from customers based on service, benefits, burdens, and impacts; or (3) both.

**Contracts for Facilities and Services.** A city, town, or county may contract with purveyors for the provision of fire suppression water facilities, services, or both.

**Payment by Counties.** A county is not required to pay for fire suppression water facilities or services unless it is

a customer, acting as a purveyor, or has agreed to do so consistent with applicable law.

*Liability.* Municipal and nonmunicipal purveyors are not liable for any damages that arise out of a fire event, relating to the operation, maintenance, and provision of fire suppression water facilities and services, under certain circumstances.

Consistent with applicable statute, agreements or franchises may include indemnification, hold harmless, or other risk management provisions under which purveyors may indemnify and hold harmless cities, towns, and counties against damages arising from fire suppression activities.

*Other.* The statutory provisions are to be liberally construed, confer powers that are supplemental to powers conferred by other law, and do not affect or impair any ordinance, resolution, or contract lawfully entered into prior to the bill's effective date.

**Votes on Final Passage:**

House	97	0
Senate	45	3

**Effective:** July 28, 2013

**ESHB 1515**

C 128 L 13

Concerning medical assistants.

By House Committee on Health Care & Wellness (originally sponsored by Representatives Cody, Jinkins, Green, Morrell and Ryu).

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

**Background:** In 2012 four new professions were created: medical assistant-certified (MA-Certified), medical assistant-registered (MA-Registered), medical assistant-hemodialysis technician (MA-Hemodialysis Technician), and medical assistant-phlebotomist (MA-Phlebotomist).

**I. Qualifications.** A person meets the qualifications for certification as an MA-Certified if he or she satisfactorily completes a medical assistant training program approved by the Secretary of Health (Secretary), passes an examination approved by the Secretary, and meets any additional qualifications established by the Secretary in rule. A person who has not passed the examination may practice as an MA-Certified under an interim permit. The permit expires upon passage of the examination or after one year, whichever occurs first, and may not be renewed.

A person meets the qualifications for registration as an MA-Registered if he or she:

- is endorsed by a health care practitioner, clinic, or group practice that meets qualifications established by the Secretary; and

- has a current attestation of his or her endorsement to perform specific medical tasks signed by a supervising health care practitioner filed with the Department of Health (DOH). An MA-Registered may only perform the medical tasks listed on the attestation.

A person meets the qualifications for certification as an MA-Hemodialysis Technician if he or she meets qualifications adopted by the Secretary in rule. The qualifications must be equivalent to the current qualifications for hemodialysis technicians certified as health care assistants.

A person meets the qualifications for certification as an MA-Phlebotomist if he or she meets qualifications adopted by the Secretary in rule.

**II. Scope of Practice.** An MA-Certified may perform the following tasks delegated by, and under the supervision of, a health care practitioner:

- fundamental procedures: wrapping items for autoclaving, procedures for sterilizing equipment and instruments, disposing of biohazardous materials, and practicing standard precautions;
- clinical procedures: performing aseptic procedures in settings other than hospitals, preparing of and assisting in sterile procedures in settings other than hospitals, taking vital signs, preparing patients for examination, capillary blood withdrawal, venipuncture, and intradermal, subcutaneous, and intramuscular injection, and observing and reporting patients' signs or symptoms;
- specimen collection: capillary puncture and venipuncture, obtaining specimens for microbiological testing, and instructing patients in the proper technique to collect urine and fecal specimens;
- diagnostic testing: electrocardiography, respiratory testing, and tests waived under the federal Clinical Laboratory Improvement Amendments (CLIA) program (the DOH may update this list by rule based on changes to the CLIA program);
- patient care: telephone and in-person screening limited to intake and gathering of information without requiring the exercise of judgment based on clinical knowledge; obtaining vital signs; obtaining and recording patient history; preparing and maintaining examination and treatment areas; preparing patients for, and assisting with, examinations, procedures, treatments, and minor office surgeries; maintaining medication records, and screening and following up on test results as directed by a health care practitioner; and
- administering medications that are: (1) administered only by unit or single dosage or by a dosage calculated and verified by a health care practitioner; (2) administered pursuant to a written order; and (3) lim-



ited to legend drugs, vaccines (including combination vaccines), and schedule III-IV controlled substances as authorized by a health care practitioner under the scope of his or her license. The Secretary may, by rule, limit the drugs that may be administered by an MA-Certified based on risk, class, or route.

An MA-Certified may also administer intravenous injections if he or she meets qualifications set by the Secretary. The qualifications must be substantially similar to the qualifications for category D and F health care assistants.

An MA-Registered may perform the same tasks as an MA-Certified, except:

- aseptic procedures;
- blood withdrawal or injections;
- electrocardiography and respiratory testing;
- preparing patients for, and assisting with, routine and specialty examinations, procedures, treatments, and minor office surgeries;
- intravenous injections; and
- the administration of medications (an MA-Registered may, however, administer vaccines).

An MA-Hemodialysis Technician may, under the delegation and supervision of a health care practitioner, perform hemodialysis and administer drugs and oxygen pursuant to rules adopted by the Secretary.

An MA-Phlebotomist may, under the delegation and supervision of a health care practitioner, perform capillary, venous, and arterial invasive procedures for blood withdrawal pursuant to rules adopted by the Secretary.

**III. Delegation.** The following health care practitioners are authorized to delegate to, and supervise, a medical assistant:

- a physician or an osteopathic physician; and
- acting within the scope of his or her license:
- a podiatric physician and surgeon;
- a registered nurse;
- an advanced registered nurse practitioner;
- a naturopath;
- an optometrist;
- a physician assistant; and
- an osteopathic physician assistant.

Prior to delegating a task to a medical assistant, a health care practitioner must determine:

- that the task is within the scope of practice of the health care practitioner;
- that the task is indicated for the patient;
- the appropriate level of supervision;
- that no law prohibits the delegation;
- that the medical assistant is competent to perform the task; and
- that the task itself is one that should be appropriately delegated considering that:

- the task can be performed without the exercise of judgment based on clinical knowledge;
- results of the task are reasonably predictable;
- the task can be performed without a need for complex observations or critical decisions;
- the task can be performed without repeated clinical assessments; and
- the task, if performed improperly, would not result in life-threatening consequences or the danger of immediate and serious harm to the patient.

**IV. Health Care Assistants.** The existing health care assistant credential will be eliminated on July 1, 2016. Persons certified as health care assistants will be automatically converted to medical assistants upon renewal of their certifications.

**V. Implementation Date.** The new medical assistant professions must be implemented by July 1, 2013.

**Summary:** The Legislature intends that individuals performing specialized functions be trained and supervised in a manner that will not pose an undue risk to patient safety.

**I. Qualifications.** An applicant for an MA-Registered credential who applies for registration within seven days of employment by the endorsing health care practitioner, clinic, or group practice may work as an MA-Registered for up to 60 days while the application is processed. The applicant must stop working on the sixtieth day of employment if the registration has not been granted for any reason.

**II. Scope of Practice.** The scope of practice of an MA-Certified is expanded to include:

- the administration of multi-dose vaccines;
- urethral catheterization when properly trained; and
- moderate complexity tests if the MA-Certified meets standards for personnel qualifications and responsibilities in compliance with federal regulation for non-waived testing.

An MA-Certified may not administer experimental drugs or hemodialysis agents. An MA-Certified must be under direct visual supervision while administering intravenous drugs.

The scope of practice of an MA-Registered is expanded to include:

- the administration of multi-dose vaccines;
- urethral catheterization when properly trained;
- moderate complexity tests if the MA-Registered meets standards for personnel qualifications and responsibilities in compliance with federal regulation for nonwaived testing;
- the administration of eye drops and topical ointments; and
- preparing patients for, and assisting with, routine and specialty examinations, procedures, treatments, and minor office surgeries utilizing no more than local

anesthetic. The DOH may, by rule, prohibit any of these duties if performance of those duties by an MA-Registered would pose an unreasonable risk to patient safety.

**III. Delegation.** A task may only be delegated to a MA-Hemodialysis Technician if it is not likely to present life-threatening consequences or serious harm to the patient if performed improperly.

**IV. Health Care Assistants.** A certified health care assistant's credential must be in good standing before it can automatically be converted to a medical assistant credential.

**V. Implementation Date.** The DOH may delay the implementation of the MA-Registered credential as necessary to comply with the requirements described above.

**Votes on Final Passage:**

House	97	0
Senate	47	0

**Effective:** July 1, 2013

**2SHB 1518**

C 81 L 13

Providing certain disciplining authorities with additional authority over budget development, spending, and staffing.

By House Committee on Appropriations Subcommittee on Health & Human Services (originally sponsored by Representatives Cody, Schmick, Ryu and Pollet).

House Committee on Health Care & Wellness

House Committee on Appropriations Subcommittee on Health & Human Services

Senate Committee on Health Care

**Background:** The regulation of the 83 health professions in Washington is divided between the Secretary of Health (Secretary), the 11 health professions boards, and the four health professions commissions. Responsibilities for licensing, examination, discipline, and rulemaking vary between the entities as do membership requirements.

Until 2008 the four health professions commissions generally had full authority over licensing, examination, discipline, and rulemaking. Administrative support to the commissions was provided by the Secretary who hired and managed staff, developed budgets, and established fee amounts.

In 2008 the Medical Quality Assurance Commission and the Nursing Care Quality Assurance Commission were selected to participate in a pilot project to expand the responsibilities of the commissions. Although the Chiropractic Quality Assurance Commission and the Dental Quality Assurance Commission were permitted to participate in the pilot project if the members of the commissions approved, neither of those commissions chose to partici-

pate. Under the pilot project, responsibilities were shifted to allow the participating commissions to:

- hire their own executive directors;
- propose their own biennial budgets which the Secretary must submit directly to the Office of Financial Management;
- collaborate with the Secretary when he or she adopts credentialing fees;
- be consulted by the Secretary when he or she is adopting uniform rules and guidelines that may negatively impact the commissions' ability to carry out their duties; and
- develop performance measures related to the consistent, timely regulation of health care professionals.

The pilot projects expire on June 30, 2013.

**Summary:** *Continuation of Current Commission Independence Pilot Projects.* The expiration date is removed for the pilot projects that expand the authority of the Medical Quality Assurance Commission (MQAC) and the Nursing Care Quality Assurance Commission (NCQAC). The MQAC and the NCQAC are given permanent authority to hire their executive directors, develop their budgets, collaborate with the Secretary of Health (Secretary) on credentialing fees, comment on uniform rules and guidelines, and develop performance measures.

By December 31, 2013, the NCQAC must report to the Governor and the Legislature with recommendations related to evidence-based and research-based practices used by the NCQAC and other nursing boards with respect to licensing, education, disciplinary, and financial outcomes, and compare the NCQAC's outcomes with those of other nursing boards.

*New Chiropractic Quality Assurance Commission Independence Pilot Project.* The Chiropractic Quality Assurance Commission (CQAC) may elect to participate in a pilot project to allow it to hire its own executive director and permit the executive director to carry out the administrative duties of the CQAC and manage the Department of Health (Department) staff that are assigned to the CQAC. Under the pilot project, the CQAC is responsible for establishing its own biennial budget, collaborating with the Secretary on credentialing fees, consulting with the Secretary on uniform rules and guidelines, and developing its own performance measures related to the consistent and timely regulation of health care professionals.

By December 15, 2017, the Secretary and the CQAC must report to the Governor and the Legislature on the results of the pilot project. The report must compare the CQAC's effectiveness to that of other disciplining authorities with respect to licensing and disciplinary activities, efficiency related to timeliness and personnel resources, budgetary activity, and the ability to meet performance measures.

*Written Operating Agreements.* The intent of the written operating agreements that exist between the Depart-

ment and health professions boards and commissions is to assure that each board or commission acts in a manner that supports the health care delivery system and evidence-based practices across all health professions. The agreements must address the use of performance audits to evaluate the consistent use of common business practices and the calculation and reporting of timelines and performance measures. The agreements must be reviewed every biennium instead of annually. The Office of Financial Management is designated as the entity to mediate disputes between a board and the Department.

*Communications with the Legislature.* The CQAC, the NCQAC, and the MQAC, their members, or their staff may communicate with, present information to, testify before, or educate the Legislature as the commissions see fit.

**Votes on Final Passage:**

House	84	13
Senate	46	2

**Effective:** July 1, 2013

## ESHB 1519

C 320 L 13

Establishing accountability measures for certain health care coordination services.

By House Committee on Appropriations (originally sponsored by Representatives Cody, Green, Jinkins, Ryu and Pollet).

House Committee on Health Care & Wellness  
House Committee on Appropriations  
Senate Committee on Health Care  
Senate Committee on Ways & Means

**Background:** The Health Care Authority and the Department of Social and Health Services (Department) purchase medical care services, mental health services, long-term care case management services, and substance abuse program services from several types of entities that coordinate with providers to deliver the services to clients.

Regional Support Networks. The Department contracts with regional support networks to oversee the delivery of mental health services for adults and children who suffer from mental illness or severe emotional disturbance. The regional support networks contract with local providers to provide an array of mental health services, monitor the activities of local providers, and oversee the distribution of funds under the state managed care plan.

Area Agencies on Aging. The federal government established area agencies on aging through the Older Americans Act in 1965. The state currently has 13 area agencies on aging that are approved by the Department to carry out programs and services for senior citizens

Medicaid Managed Care Organizations. Managed care is a prepaid, comprehensive system of medical and health care delivery, including preventive, primary, spe-

cialty, and ancillary health services. Healthy Options is the Medicaid managed care program for low-income people in Washington. Healthy Options offers eligible families, children under age 19, pregnant women, and certain blind or disabled individuals a complete medical benefits package.

County Substance Abuse Programs. The Department contracts with counties to provide outpatient substance abuse treatment services, either directly or by subcontracting with certified providers.

**Summary:** The terms "service coordination organizations" and "service contracting entities" are defined as entities that arrange for a comprehensive system of medical, behavioral, or social support services. The terms specifically include regional support networks, managed care organizations that provide medical services to medical assistance clients, counties that provide chemical dependency services, and area agencies on aging that provide case management services.

By July 1, 2015, the Health Care Authority (Authority) and the Department of Social and Health Services (Department) must include outcomes and performance measures in their contracts with service contracting entities. The outcomes include:

- improvements in client health status;
- increases in client participation in meaningful activities;
- reductions in client involvement with the criminal justice system;
- reductions in avoidable costs in hospitals, emergency rooms, crisis services, and jails and prisons;
- increases in stable housing;
- improvements in client satisfaction with quality of life; and
- reductions in population-level health disparities.

The performance measures must demonstrate how several principles are achieved within the outcomes. These principles relate to the maximization and prioritization of evidence-based practices, research-based practices, and promising practices; the maximization of client independence, recovery, and employment; the maximization of client participation in treatment decisions; and the collaboration between consumer-based support programs in providing services to the client. The agencies must develop strategies to identify programs that are effective with ethnically-diverse clients. Public reporting of outcome and performance data must be phased in and allow for comparisons between geographic regions.

Outcomes and performance measures created for service contracting entities may not be used as a standard of care in a civil legal action brought by a recipient of services. The failure of a service contracting entity to meet outcomes and performance measures does not create civil legal liability in a claim brought by a recipient of services.

By December 1, 2014, the Authority and the Department must report to the Legislature about the expected outcomes and the performance measures. The report must identify each program's outcomes and performance measures, the relationship between the performance measures and the expected improvements in client outcomes, the mechanisms for reporting outcomes and measuring performance, and options for applying the performance measure and outcome process to other health and social service programs. By December 1, 2016, the Authority and the Department must report to the Legislature on progress toward achieving the identified outcomes.

**Votes on Final Passage:**

House	93	4	
Senate	46	0	(Senate amended)
House	90	5	(House concurred)

**Effective:** July 28, 2013

**ESHB 1524**

C 179 L 13

Providing for juvenile mental health diversion and disposition strategies.

By House Committee on Early Learning & Human Services (originally sponsored by Representatives Roberts, Clibborn, Goodman, Maxwell, Kagi, Orwall, Appleton, Ryu, Ormsby, Jinkins, Fey and Bergquist).

House Committee on Early Learning & Human Services  
Senate Committee on Human Services & Corrections

**Background:** Law Enforcement Detention Authority. In 2007 the Legislature passed Substitute Senate Bill 5533 which authorized law enforcement officers, under certain circumstances, to take a person to a short-term detention facility for assessment and evaluation, instead of taking the person to jail. An officer may use this authority when he or she has reasonable cause to believe that the person has committed a nonfelony offense that is not considered "serious" and the person has a mental disorder. The officer may also refer the individual to a mental health professional for evaluation under the mental health commitment statutes, or release him or her upon agreement to voluntary participation in outpatient treatment.

Nonfelony offenses that are considered "serious" are domestic violence offenses and harassment offenses.

Evaluation and Treatment Facility. An evaluation and treatment facility provides emergency evaluation and treatment, outpatient care, and timely and appropriate inpatient care to persons suffering from a mental disorder.

Diversions. If a juvenile is alleged to have committed a misdemeanor or gross misdemeanor, and it is his or her first violation, the prosecutor must "divert" the case rather than file a complaint. After the first offense, the prosecutor has discretion whether to allow the juvenile to enter

into a diversion or file the case. In most circumstances, a juvenile may have no more than two diversions.

A case is diverted when the juvenile enters into a "diversion agreement", which may include a requirement that the juvenile attend counseling or educational or informational sessions at a community agency. The educational or informational sessions may include issues of victim awareness, self-worth, and life skills, among other subjects. A community agency may be a community-based nonprofit organization.

A diversion agreement may be between a juvenile and probation counselor, or any other person, community accountability board, youth court under the supervision of the juvenile court, or other entity except a law enforcement official.

When a juvenile enters into a diversion agreement, the only information provided to the juvenile court for dispositional purposes is:

- the fact that a charge or charges were made;
- the fact that a diversion agreement was entered into;
- the juvenile's obligations under such agreement;
- whether the alleged offender performed his or her obligations under such agreement; and
- the facts of the alleged offense.

Deferred Disposition. A deferred disposition in juvenile court is akin to a deferred prosecution in adult court. The juvenile offender is found guilty at the time that the court agrees to allow a deferred disposition. A deferred disposition allows a juvenile to complete certain conditions set out by the court including supervision and, any restitution payment, in exchange for having the charges dismissed.

A juvenile is eligible for a deferred disposition unless he or she:

- is charged with a sex or violent offense;
- has a criminal history which includes any felony; or
- has two or more prior adjudications.

If a court grants a deferred disposition, the juvenile is required to:

- stipulate to the admissibility of the facts contained in the written police report;
- acknowledge that the report will be used to support a finding of guilt and to impose a disposition (i.e., sentencing) if the juvenile fails to comply with terms of supervision; and
- waive the right to a speedy disposition and to call and confront witnesses.

After the court enters a finding or plea of guilty, the court defers entry of an order of disposition. The juvenile offender is placed on community supervision, and the court may impose any conditions that it deems appropriate. Payment of restitution must be a condition of supervision.

If the court finds that the juvenile offender has successfully complied with the conditions of his or her super-

vision, including payment of restitution, the conviction is vacated and the court dismisses the case with prejudice. If, at the conclusion of the deferral period, restitution has not been paid in full, the court may vacate the conviction if the court is satisfied the offender made a good faith effort to pay. In this instance, the court must enter an order establishing the amount of restitution still owing and the terms and conditions of payment, which may include a payment plan extending up to 10 years.

If a juvenile has a conviction for Animal Cruelty in the first degree, the court may not vacate the conviction.

**Summary:** Authority of Law Enforcement. When a police officer has reasonable cause to believe that a juvenile has committed a nonfelony offense that is not considered to be serious, and the officer has reason to believe that the juvenile suffers from a mental disorder, the officer is authorized to take the individual to an evaluation and treatment facility or an alternative location that the prosecutor, law enforcement, and a mental health provider have agreed to in advance. The officer may exercise this authority instead of taking the juvenile to a detention facility. Law enforcement may continue any existing practice of taking such juveniles to an alternative location that does not require prior agreement with local prosecutors.

Diversions. A juvenile may have up to three diversions before the prosecutor must file an information alleging a criminal offense. If an assessment identifies that a juvenile has mental health needs and he or she has been granted a diversion, the juvenile may receive up to 30 hours of counseling, and a term of the diversion agreement may include services that have been demonstrated to improve behavioral health and to reduce recidivism.

The definition of "community agency" is expanded to include a physician, counselor, school, or treatment provider.

Deferred Disposition. If the court grants a deferred disposition to a juvenile, the court may require the juvenile to undergo a mental health or substance abuse evaluation, or both. If the assessment identifies a need for treatment, the conditions of supervision may include treatment that has been demonstrated to improve behavioral health and reduce recidivism.

**Votes on Final Passage:**

House	75	23
Senate	47	1

**Effective:** July 28, 2013

Concerning access to original birth certificates after adoption.

By House Committee on Judiciary (originally sponsored by Representatives Orwall, Pedersen, Goodman, Hunt, Roberts, Upthegrove, Ryu and Jenkins).

House Committee on Judiciary  
House Committee on Appropriations Subcommittee on Health & Human Services

Senate Committee on Human Services & Corrections

**Background:** Generally, all records of court proceedings relating to adoptions are sealed, and all files relating to adoptions are confidential and may not be disclosed, except by court order or through a confidential intermediary process.

Reasonably available nonidentifying information of a birth parent, adoptive parent, or adoptee may be disclosed without a court order upon the request of the birth parent, adoptive parent, or adoptee. "Nonidentifying information" includes information such as age, heritage, education, general physical appearance, religion, occupation, other children of the birth parents, and medical and genetic history.

The Department of Health (DOH) must release the noncertified copy of the original birth certificate without a court order under some circumstances. The DOH must provide a noncertified copy of the original birth certificate to the child's birth parents upon request. In addition, for adoptions finalized after October 1, 1993, the DOH must provide a noncertified copy of the original birth certificate to an adult adoptee unless the birth parent has filed an affidavit of nondisclosure.

**Summary:** The DOH must provide an adult adoptee with a noncertified copy of the original birth certificate upon request unless the birth parent has filed an affidavit of nondisclosure prior to the effective date of the act, or a contact preference form indicating the birth parent does not want the original birth certificate released. For adoptions finalized on or before October 1, 1993, the DOH may not release an original birth certificate until after June 30, 2014.

A birth parent may at any time complete a contact preference form indicating his or her preferences regarding contact with the adoptee and release of the original birth certificate. The contact preference form must include the following options:

- I would like to be contacted. The DOH may release the original birth certificate to the adoptee.
- I would like to be contacted only through a confidential intermediary. The DOH may release the original birth certificate to the adoptee.
- I prefer not to be contacted and have completed an updated medical history form. The DOH may release the original birth certificate to the adoptee.

- I prefer not to be contacted and have completed an updated medical history form. I do not want the DOH to release the original birth certificate to the adoptee.

A birth parent who files a contact preference form must also file an updated medical history form, which must be provided to an adult adoptee upon request. If the DOH provides a noncertified copy of the original birth certificate to an adult adoptee, the DOH must also provide the adult adoptee with any contact preference form filed by the birth parent. The contact preference form and the updated medical history form are confidential and must be placed in the adoptee's sealed file.

The contact preference form and the affidavit of non-disclosure do not expire until the death of the birth parent. A birth parent may rescind a contact preference form by filing a new contact preference form indicating a different preference. If the DOH does not provide an adoptee with the original birth certificate because an affidavit of nondisclosure or contact preference form has been filed, the DOH must, upon the request of the adoptee, conduct a search of public records available to the DOH to determine if the birth parent is deceased. The adoptee may not request a search more than once per year.

The DOH must create the contact preference form and the medical history form. The DOH may charge a fee not to exceed \$20 dollars for providing a noncertified copy of the original birth certificate, and may charge a reasonable fee to cover the cost of conducting a search to determine whether a birth parent is deceased.

**Votes on Final Passage:**

House	95	2	
Senate	39	8	(Senate amended)
House	94	1	(House concurred)

**Effective:** July 28, 2013

**HB 1533**  
C 82 L 13

Clarifying notice of claims in health care actions.

By Representatives Rodne and Jinkins.

House Committee on Judiciary  
Senate Committee on Law & Justice

**Background:** The law governing health care actions provides that an action based upon a health care provider's professional negligence may not be commenced unless the defendant has been given 90-day notice of the intention to commence the action. This 90-day notice requirement for health care actions was established in 2006 as part of comprehensive legislation addressing medical malpractice issues, including civil liability for injuries resulting from health care.

State and local government claim filing statutes provide that a tort claim against a state or local governmental entity must be presented to the state or local government entity 60 days prior to the commencement of a court action. Legislation enacted in 2009 exempted health care claims from the requirements of the state and local government claim filing statutes so that health care actions against governmental entities were governed exclusively by the 90-day notice requirement.

The 90-day notice requirement for health care actions was found unconstitutional in a 2010 Washington Supreme Court case involving a private health care provider. In response, legislation was enacted in 2012 to provide that health care actions against state or local governmental entities are subject to the state and local government claim filing statutes, which have a 60-day notice requirement. However, the 2012 legislation did not repeal the 90-day notice requirement, and a subsequent 2012 Washington Supreme Court decision ruled that the 90-day notice requirement remains valid with respect to health care actions against governmental entities. As a result of this series of legislative enactments and court decisions, there are now two statutes, with different procedural requirements, governing pre-suit notice for health care actions against governmental entities.

**Summary:** The requirement that a claimant provide 90-day prior notice of his or her intent to file an action based on the professional negligence of a health care provider is eliminated. Health care actions against governmental entities remain subject to the pre-suit notice requirements in the state and local government claim filing statutes.

**Votes on Final Passage:**

House	98	0
Senate	43	5

**Effective:** July 28, 2013

**HB 1534**  
C 129 L 13

Increasing the impaired dentist program license or renewal surcharge.

By Representatives Riccelli, Harris, Ryu and Jinkins.

House Committee on Appropriations Subcommittee on Health & Human Services  
Senate Committee on Health Care

**Background:** The Dental Quality Assurance Commission (DQAC), the disciplining authority for licensed dentists in Washington, contracts with a voluntary substance abuse monitoring program for an impaired dentist program. The impaired dentist program may include referrals to substance abuse treatment, education and prevention, and post-treatment monitoring.

If the DQAC determines that the unprofessional conduct of a licensed dentist under investigation may be the

## SHB 1537

result of substance abuse, the DQAC may refer the licensed dentist to the program in lieu of disciplinary action. By rule, the DQAC also permits licensed dentists who are not under investigation to voluntarily participate in the impaired dentist program.

The DQAC contract with the voluntary substance abuse monitoring program is financed by a surcharge of up to \$25 on the initial applications or renewals of licensed dentists.

**Summary:** The \$25 limit on the surcharge paid by licensed dentists for the impaired dentist program is increased to \$50.

**Votes on Final Passage:**

House	94	3
Senate	46	1

**Effective:** July 28, 2013

## SHB 1537

C 83 L 13

Addressing a veteran's preference for the purpose of public employment.

By House Committee on Government Operations & Elections (originally sponsored by Representatives O'Ban, Angel, Hayes, Green, Zeiger, Bergquist, Johnson, Ryu, Morrell and Shea).

House Committee on Government Operations & Elections  
Senate Committee on Governmental Operations

**Background:** Honorably discharged veterans receive a preference in public employment upon separation from the military. In all competitive examinations for state and local public employment other than promotional examinations, veterans with a passing score are given bonus points in the form of an added percentage. The percentage varies based on the veteran's status:

Status	Preference
served during a period of war or armed conflict and has not received military retirement:	10 percent
served during a period of war or armed conflict and is receiving military retirement:	5 percent
did not serve during a period of war or armed conflict:	5 percent
was called to active military service from employment with the state or any of its political subdivisions:	5 percent, and applies to promotional examinations until the first promotion

**Summary:** Veterans may claim and receive the preference in public employment before actual separation from the military, upon receipt of separation orders indicating

an honorable discharge. The preference status becomes permanent upon actual separation.

**Votes on Final Passage:**

House	97	0
Senate	48	0

**Effective:** July 28, 2013

## SHB 1541

C 180 L 13

Expanding the types of medications that a public or private school employee may administer to include nasal spray.

By House Committee on Health Care & Wellness (originally sponsored by Representatives Klippert, Cody, Schmick, Green, Harris, Chandler, Kristiansen, Morrell, Ryu, Angel, Jinkins, Van De Wege and Pollet).

House Committee on Health Care & Wellness

Senate Committee on Early Learning & K-12 Education

**Background:** A public or private school employee may administer oral medications, topical medications, eye drops, or ear drops to children who are in the custody of the public or private school if the following conditions are met:

- the school district or the private school has policies that address:
  - the designation of the employees who may administer the medications;
  - the acquisition of parent requests and instructions; and
  - requests from licensed health professionals prescribing within the scope of their prescriptive authorities and instructions regarding students who require medication for more than 15 consecutive school days, the identification of the medication to be administered, the means of safekeeping medications, and the means of maintaining records of the administration of the medications;
- the school district or private school possesses a written, current, and unexpired request of a parent, legal guardian, or other person having legal control over the student to administer the medication to the student;
- the public school district or private school possesses:
  - a written, current, and unexpired request from a licensed health professional acting within the scope of his or her prescriptive authority for administration of the medication, because there exists a valid health reason that makes administration of the medication advisable during school hours or the hours when the student is under the supervision of school officials; and

- written, current, and unexpired instructions from the licensed health professional regarding the administration of the medication to students who require medication for more than 15 consecutive work days;
- the medication is administered by a designated school employee in compliance with the prescription or written instructions;
- the medication is first examined by the employee administering the medication to determine whether it appears to be in the original container and properly labeled; and
- a physician, advanced registered nurse practitioner, or registered nurse has been designated to train and supervise the designated employee in proper medication procedures.

A school employee, school district, or private school is immune from civil or criminal liability arising from the administration of medications in a manner that complies with state law, the applicable prescription, and applicable written instructions. Similarly, a school employee, school district, or private school is immune from criminal or civil liability for the discontinuance of the medication as long as notice has been given to the parent, legal guardian, or other person having legal control over the student.

**Summary:** The type of medication that may be administered by a school employee is expanded to include nasal spray. If a school nurse is on the premises, he or she must administer a nasal spray that is a legend drug or a controlled substance. If no school nurse is on the premises, a non-nurse employee or parent-designated adult may administer a spray that is a legend drug or a controlled substance as long as he or she summons emergency medical assistance as soon as practicable.

"Parent-designated adult" is defined as a volunteer or school district employee who receives additional training from a health care professional or expert in epileptic seizure care selected by the parents and who provides care consistent with the child's individual health plan. The board of directors of the school district (Board) must allow school personnel who have received appropriate training and volunteered for such training to administer a nasal spray that is a controlled substance or a legend drug.

A parent-designated adult who is a school district employee must file a voluntary, written, current, and unexpired letter of intent stating the employee's willingness to be a parent-designated adult. An employee who refuses to file a letter may not be subjected to reprisal or disciplinary action.

The Board must designate a physician, osteopathic physician, registered nurse, or advanced registered nurse practitioner (who is not responsible for the supervision of the parent-designated adult) to consult and coordinate with the student's parents and health care provider to train and supervise the appropriate school district personnel in prop-

er procedures for care for students with epilepsy to ensure a safe, therapeutic learning environment. The training may also be provided by a nationally certified epilepsy educator. Parent-designated adults who are school employees must receive the training. Parent-designated adults who are not school employees must provide evidence of comparable training. Parent-designated adults must also receive training from a health care professional or expert in epileptic seizure care selected by the parents.

**Votes on Final Passage:**

House	97	0	
Senate	48	0	(Senate amended)
House	94	0	(House concurred)

**Effective:** July 28, 2013

**HB 1547**

C 130 L 13

Concerning entities that provide recreational or educational programming for school-aged children.

By Representatives Walsh, Kagi, Freeman, Fey, Zeiger, Ryu, Morrell, Roberts, Moscoso and Santos.

House Committee on Early Learning & Human Services  
Senate Committee on Early Learning & K-12 Education  
Senate Committee on Human Services & Corrections

**Background:** The Department of Early Learning oversees licensing for child care and early learning programs. Licensing rules or standards are outlined in the Washington Administrative Code (WAC). Licensing requirements specific to recreational or educational programs utilizing a drop-in model are not included in statute or agency rules.

**Summary:** An entity is not an agency that requires licensure if the entity provides recreational or educational programming for school-age children and meets the following requirements:

- the entity utilizes a drop-in model for programming, where children are able to attend during any or all program hours without a formal reservation;
- the entity does not assume responsibility in lieu of the parent, unless for coordinated transportation;
- the entity is a local affiliate of a national nonprofit; and
- the entity is in compliance with all safety and quality standards set by the associated national agency.

Additionally, a provision is removed that exempts an agency in operation for 10 years prior to June 8, 1967, from child care licensing requirements.

**Votes on Final Passage:**

House	97	0	
Senate	48	0	(Senate amended)
House	94	0	(House concurred)

**Effective:** July 28, 2013



**ESHB 1552**  
**PARTIAL VETO**  
C 322 L 13

Reducing scrap metal theft.

By House Committee on Public Safety (originally sponsored by Representatives Goodman, Klippert, Freeman, Kirby, Morrell, Seaquist, Sullivan, Appleton, Ryu, Hunt, Stanford, Kochmar, Maxwell, Takko, Bergquist, Warnick, Manweller, Green and Fey).

House Committee on Public Safety  
House Committee on Appropriations Subcommittee on General Government  
Senate Committee on Law & Justice

**Background: Criminal Provisions. Malicious Mischief.**

The definition of the criminal offense of Malicious Mischief includes a person knowingly and maliciously causing physical damage to another's property or interrupting (or risking interruption of) a service to the public, such as a utility, through physical damage. The degree of malicious mischief is calculated based on the amount of physical damage. The amount of physical damage is calculated based on the diminution in the value of property as the result of an act.

*Theft in the First Degree.* A person is guilty of Theft in the first degree if he or she commits theft of:

- property or services which exceed \$5,000 in value, other than a firearm;
- property of any value, other than a firearm or a motor vehicle, taken from the person of another;
- a search and rescue dog, while the search and rescue dog is on duty; or
- metal wire, taken from a public service company or a consumer-owned utility, and the costs of the damage to the public service company's or consumer-owned utility's property exceed \$5,000 in value.

Theft in the first degree is a class B felony.

*Theft in the Second Degree.* A person is guilty of Theft in the second degree if he or she commits theft of:

- property or services which exceed \$750 in value but do not exceed \$5,000 in value, other than a firearm or a motor vehicle;
- a public record, writing, or instrument kept, filed, or deposited according to law with or in the keeping of any public office or public servant;
- metal wire, taken from a public service company or a consumer-owned utility, and the costs of the damage to the public service company's or consumer-owned utility's property exceed \$750 but do not exceed \$5,000 in value; or
- an access device.

Theft in the second degree is a class C felony.

Requirements for Scrap Metal Transactions. Businesses that are engaged in the business of purchasing or re-

ceiving private, nonferrous, or commercial metal property are subject to certain requirements.

*Definitions.* Scrap metal businesses include scrap metal processors, scrap metal recycling centers, and scrap metal suppliers.

- A "scrap metal processor" is a person with a current business license that conducts business from a permanent location, that is engaged in the business of purchasing or receiving private, nonferrous, and commercial metal property for the purpose of altering the metal in preparation for its use as feedstock in the manufacture of new products, and that maintains a hydraulic bailer, shearing device, or shredding device for recycling.
- A "scrap metal recycling center" is a person with a current business license that is engaged in the business of purchasing or receiving private, nonferrous, and commercial metal property for the purpose of aggregation and sale to another scrap metal business and that maintains a fixed place of business within the state.
- A "scrap metal supplier" means a person with a current business license that is engaged in the business of purchasing or receiving private or nonferrous metal property for the purpose of aggregation and sale to a scrap metal recycling center or scrap metal processor and that does not maintain a fixed business location in the state.

"Commercial metal property" means: utility access covers; street light poles and fixtures; road and bridge guardrails; highway or street signs; water meter covers; traffic directional and control signs; traffic light signals; any metal property marked with the name of a commercial enterprise, including but not limited to a telephone, commercial mobile radio services, cable, electric, water, natural gas, or other utility, or railroad; unused or undamaged building construction materials consisting of copper pipe, tubing, or wiring, or aluminum wire, siding, downspouts, or gutters; aluminum or stainless steel fence panels made from 1-inch tubing, 42 inches high with 4-inch gaps; aluminum decking, bleachers, or risers; historical markers; statue plaques; grave markers and funeral vases; or agricultural irrigation wheels, sprinkler heads, and pipes.

"Nonferrous metal property" means metal property for which the value of the metal property is derived from the property's content of copper, brass, aluminum, bronze, lead, zinc, nickel, and their alloys. "Nonferrous metal property" does not include precious metals.

"Private metal property" means: catalytic converters, either singly or in bundles, bales, or bulk, that have been removed from vehicles for sale as a specific commodity.

*Transaction Requirements.* No scrap metal business may purchase or receive private metal property or commercial metal property unless the seller:

- has a commercial account with the scrap metal business;
- can prove ownership of the property by producing written documentation that the seller is the owner of the property; or
- can produce written documentation that the seller is an employee or agent authorized to sell the property on behalf of a commercial enterprise.

Transactions involving private or nonferrous metal property valued at greater than \$30 may not be made in cash or with anyone who does not provide a street address. Payment must be by nontransferable check by mail no earlier than 10 days after the transaction.

*Recordkeeping Requirements.* For transactions between a scrap metal business and a member of the general public, the following records must be kept and maintained for one year:

- the time, date, location, and value of the transaction;
- the name of the employee representing the scrap metal business in the transaction;
- the name, street address, and telephone number of the person with whom the transaction is made;
- the license plate number and state of issuance of the license plate on the motor vehicle used to deliver the metal property;
- a description of the motor vehicle;
- the current driver's license number or other identification card number of the seller or a copy of the identification;
- a description of the predominant types of private or nonferrous metal property subject to the transaction, including the property's classification code; and
- a signed declaration by the seller that the transacted property is not, to the best of his or her knowledge, stolen.

These records must be open to inspection by law enforcement during ordinary hours of business, or at reasonable times, if ordinary hours of business are not kept.

For sales between a scrap metal business and any other commercial enterprise, the scrap metal business must establish a commercial account for the commercial enterprise. For each commercial account, the scrap metal business must keep a record which indicates the name of the commercial enterprise, the business address and telephone number of the commercial enterprise, the full name of the person employed by the commercial enterprise who is authorized to designate an employee or agent to deliver private, nonferrous, and commercial metal property, and a record of every purchase or receipt of private, nonferrous, and commercial metal property from the commercial enterprise.

*Requests from Law Enforcement.* If requested by law enforcement, a scrap metal business must provide the transcript of records of the purchase or receipt of private, non-

ferrous, or commercial metal property involving a specific individual, vehicle, or item of nonferrous or commercial metal property. The information may be transmitted within a specified time of not less than two business days. The information may be transmitted electronically: by fax, by computer, or by delivery of a computer disk, subject to approval by law enforcement.

If the scrap metal business has good cause to believe that the metal property in its possession is lost or stolen, the scrap metal business must report that fact to law enforcement, together with the name of the owner, if known, and the transaction information.

*Preserving Evidence of Metal Theft.* After written or verbal notice from law enforcement that an item of private, nonferrous, or commercial metal property has been reported as stolen, a scrap metal business must tag and hold that property for a period of time directed by law enforcement up to a maximum of 10 business days.

Law enforcement is prohibited from placing a hold unless law enforcement reasonably suspects that the property is a lost or stolen item. Any hold must be removed within 10 business days after the property is determined not to be stolen or lost. *Criminal Penalties.*

It is a gross misdemeanor:

- to deliberately remove, alter, or obliterate any identifying marks on an item of private, nonferrous, or commercial metal property to deceive a scrap metal business;
- to purchase or receive any private, nonferrous, or commercial metal property where identifying marks engraved or etched upon the property have been deliberately and conspicuously removed, altered, or obliterated;
- to knowingly make, cause, or allow to be made, any false entry or misstatement of any material matter in any record required to be kept;
- to enter into a transaction to purchase or receive private, nonferrous, or commercial metal property from any person under the age of 18 years or any person who is discernibly under the influence of intoxicating liquor or drugs;
- to enter into a transaction to purchase or receive private, nonferrous, or commercial metal property with anyone whom the scrap business has been informed by a law enforcement agency to have been convicted of a crime involving drugs, burglary, robbery, theft, or possession of or receiving stolen property, within the past 10 years, whether the person is acting in his or her own behalf or as the agent of another;
- to sign the required declaration knowing that the private or nonferrous metal property subject to the transaction is stolen;
- to possess commercial metal property that was not lawfully purchased or received; or

- to engage in a series of transactions valued at less than \$30 with the same seller to avoid the cash payment limitations.

*Civil Penalties.* Any other violation of the requirements is punishable by a fine of not more than \$1,000 for a first conviction and \$2,000 for subsequent convictions within two years of the first violation.

*Exemptions.* The following entities are exempt from all of the requirements that apply to scrap metal businesses: licensed motor vehicle dealers, licensed vehicle wreckers or hulk haulers, persons in the business of operating an automotive repair facility, and persons in the business of buying or selling empty food and beverage containers, including metal food and beverage containers.

Civil Forfeiture. Civil forfeiture is an action brought against assets which are either the alleged proceeds of a crime or the alleged instrumentalities of a crime. Washington has a number of civil forfeiture provisions, including in the Uniform Controlled Substances Act and for crime victim compensation. Civil forfeiture statutes typically require notice and an opportunity for the property owner to be heard. The standard of proof in a civil forfeiture proceeding is less than in a criminal proceeding.

**Summary:** Criminal Penalties. For the purposes of the offense of Malicious Mischief in the first, second, or third degrees, the amount of physical damage includes any diminution in the value of any property as the consequence of an act, as well as the cost to repair any physical damage.

Theft in the first degree includes theft of private, nonferrous, or commercial metal property, when the costs of the damage to the owner's property exceed \$5,000.

Theft in the second degree includes theft of private, nonferrous, or commercial metal property, when the costs of the damage to the owner's property exceed \$750, but does not exceed \$5,000.

Requirements for Scrap Metal Transactions. *"Transaction Requirements.* Transactions involving private or nonferrous metal property may only be paid by nontransferable check, mailed three days after the transaction, unless a scrap metal business digitally captures a photo identification and either a picture or video of the material sold. If that documentation is obtained, \$30 may be paid in cash, by stored value device, or by electronic funds transfer, with the remainder paid immediately by check, stored value device, or electronic funds transfer. The digital images must be stored for two years from the transaction, and any video must be available for 30 days.

*Recordkeeping Requirements.* Records must be maintained for five years from the date of transaction between a scrap metal business and a member of the general public or from three years from the date of purchase or receipt for a commercial account.

*Requests From Law Enforcement.* Law enforcement records requests must only be in regard to a specified individual. Records created or produced in response to a law

enforcement request are exempt from disclosure under the Public Records Act. Compliance with law enforcement requests must not give rise to or form the basis of private civil liability on the part of a scrap metal business.

*Preserving Evidence of Metal Theft.* A law enforcement officer's notification that an item of metal property has been reported as stolen must be in writing to require a scrap metal business to tag and hold that item.

*Criminal Penalties.* It is a gross misdemeanor offense to knowingly make a false oral or written statement or to furnish any false identification, intended or likely to deceive the scrap metal business as to the actual seller of the metal.

Licensing. Any businesses which engage in the business of purchasing or receiving metal property for the purpose of aggregation and resale or for the purpose of altering the metal in preparation for its use in the manufacture of new products must obtain a scrap metal license through the Department of Licensing (Department). Only businesses which conduct more than five transactions per year are required to be licensed.

The application for a license or renewal must include: the name and address of the scrap metal business; and the names and addresses of all persons having an interest in the business or, if the business is a corporation, all corporate officers. An application or renewal form must also include certification from the chief of police or chief executive officer or, for an unincorporated area, the sheriff or county legislative authority that the applicant has an established place of business at the address shown on the application, has no known environmental, building code, zoning, or other land use regulation violations, and, in the case of a renewal, the applicant is in compliance with applicable requirements.

The application must be accompanied by a fee, in an amount to be determined by the Department, adequate to allow the program to be self-supporting. Additionally, each scrap processor or scrap recycler applicant must file a surety bond with the Department in the amount of \$10,000. Licensees are also required to obtain a special set of license plates for each vehicle owned or operated by the licensee and used in the conduct of the business. The license plates may be obtained for a fee of \$5 for the original plate and \$2 for each additional set of plates.

The Department may refuse to issue a license to a person whose previous license has been canceled for cause or to a person who the Department believes is acting on behalf of a person whose license has previously been canceled for cause.

Unlicensed activity is punishable as a gross misdemeanor or, for a second or subsequent offense, a level II class C felony offense.

The Department may adopt rules and regulations for operation and enforcement of the licensing program or take any actions allowed under the Uniform Regulation of

Business and Professions Act to govern unlicensed practice or discipline licensees, including fines of up to \$5,000 per violation. The Department may also obtain a subpoena for any persons, books, records, vehicles, or metal property bearing on an investigation under the licensing program. Any records created or produced under such a subpoena are exempt from the Public Records Act. Additionally, the Department, local law enforcement, or the Washington State Patrol may make periodic unannounced inspections of a licensee's records or premises.

**Preemption.** The entire field of regulation of scrap metal businesses is preempted by Washington statute. Political subdivisions in the state may only enforce those laws which are specifically authorized by state law and consistent with the chapter and may not be more restrictive than state law or impose greater penalties or restrictions. Laws of general applicability, including zoning, land use, general business licensing, environmental, and health and safety requirements and general business taxes, are not preempted.

**No-Buy List Database.** The Washington Association of Sheriffs and Police Chiefs (WASPC) is directed to create and operate a statewide "no-buy" database, which will allow scrap metal businesses to determine if a potential customer has been convicted in the past four years of Burglary, Robbery, Theft, or Possession of or Receiving Stolen Goods, any of which make it illegal for the scrap metal business to purchase from the potential customer.

A scrap metal business must search the database before completing any transaction. If the customer has a disqualifying conviction, the business will be notified that the transaction is prohibited and when the 10-year period will expire. The creation of the program is contingent upon funding through a specific appropriation.

**Scrap Theft Alert System.** Licensed scrap metal businesses are required to sign up with the free scrap theft alert system operated by the Institute of Scrap Recycling Industries to receive alerts regarding thefts of metal property in their geographic area and use the alerts to identify potentially stolen metal property. Law enforcement agencies may, but need not, register as well.

**Washington Metal Theft Enforcement Grant Program.** The WASPC must administer a grant program to support additional enforcement efforts targeting metal theft in areas in which a significant metal theft problem has been shown. The grant recipients must collect data on performance. The WASPC may receive an administrative fee of up to 3 percent of appropriated funding.

**Civil Forfeiture.** The following property is subject to civil forfeiture:

- property knowingly or intentionally used in the commission of a crime involving Theft, Trafficking, or the Unlawful Possession of Commercial Metal Property; and

- property acquired by proceeds traceable to the knowing or intentional commission of a crime, not less than a class C felony, involving Theft, Trafficking, or the Unlawful Possession of Commercial Metal Property.

Fifty percent of the proceeds for any property forfeited and sold must be remitted to the victim of the crime, with the remainder being used for law enforcement activity.

**Votes on Final Passage:**

House	93	4	
Senate	46	1	(Senate amended)
House			(House refused to concur)
Senate			(Senate insisted on position)
House	92	5	(House concurred)

**Effective:** July 28, 2013

January 1, 2014 (Sections 12-23)

**Partial Veto Summary:** The provision that makes the act null and void unless funded in the Omnibus Appropriations Act is vetoed.

**VETO MESSAGE ON ESHB 1552**

May 21, 2013

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

Ladies and Gentlemen:

I am returning herewith, without my approval as to Section 34, Engrossed Substitute House Bill 1552 entitled:

"AN ACT Relating to the reduction of metal theft."

*Metal theft causes substantial and often expensive property damage harming, among others, businesses, utilities, state and local governments, and individual citizens. Under certain circumstances, metal theft can also lead to significant safety hazards. Our state has enacted laws over the past several years to curb metal theft by increasing penalties and regulation of businesses purchasing or receiving metal.*

*This bill is the result of recommendations from a wide array of stakeholders, including businesses, metal recyclers, utilities, local governments, and local law enforcement to enhance our laws to prevent metal theft. New licensing, purchasing, and records retention regulations are instituted. Further, changes are made to penalties associated with metal theft and illegal purchasing of scrap metal, and grants are established for enforcement.*

*Pursuant to Section 34 of this bill, if \$1.5 million for the purposes of this act is not provided by June 30, 2013, in the omnibus appropriations act, this act is null and void. Unfortunately, the Legislature has not passed a budget at this time. It is my expectation that by passing this bill, the Legislature intends to provide the funding. It is also my expectation that the stakeholders who worked on this act, and will benefit from its enactment, will continue their efforts to secure funding to support the law enforcement grant provisions. To ensure the important, new regulatory provisions of this act are put in place as a means of combating metal theft, I am vetoing Section 34 of this bill.*

*For these reasons, I have vetoed Section 34 of Engrossed Substitute House Bill 1552.*

*With the exception of Section 34, Engrossed Substitute House Bill 1552 is approved.*

Respectfully submitted,



Jay Inslee  
Governor

SHB 1556

C 181 L 13

Creating initiatives in high schools to save lives in the event of cardiac arrest.

By House Committee on Education (originally sponsored by Representatives Van De Wege, Dahlquist, Morrell, Hayes, Cody, Pettigrew, Habib, McCoy, Ryu, Angel, Hunt, Goodman, Pollet, Fitzgibbon, Stonier, Dunshee and Fey).

House Committee on Education  
House Committee on Appropriations Subcommittee on Education

Senate Committee on Early Learning & K-12 Education

**Background:** Cardiopulmonary Resuscitation. Cardiopulmonary resuscitation (CPR) is an emergency procedure performed to preserve brain function until further measures are taken to restore blood circulation and breathing in a person experiencing cardiac arrest. The CPR combines chest compressions and breathing into the nose or mouth with the goal of restoring a partial flow of oxygenated blood to the brain and heart. The objective is to delay tissue damage and other issues until defibrillation, an electric shock to the heart, can restore heart rhythm.

Credits Required for Graduation. In order to graduate from high school, there are a number of requirements, including 20 credits in specified course areas. Two of those 20 credits must be health and fitness credits. In 2016 students must complete a half credit of health and 1.5 credits of fitness.

**Summary:** The Office of the Superintendent of Public Instruction (OSPI), in consultation with school districts and stakeholder groups, must develop guidance for a medical emergency response and automated external defibrillator (AED) program for high schools. This response and program must comply with current evidence-based guidance from the American Heart Association or another national science organization. The OSPI, in consultation with the Department of Health, must assist districts in carrying out these programs and provide guidelines and advice for seeking grants for the purchase of the AEDs. The OSPI may coordinate with local health districts or other organizations in seeking grants and donations for this purpose.

Every school district that operates a high school must offer instruction in CPR to students. Beginning in the 2013-14 school year, instruction in CPR must be included in at least one health class necessary for graduation.

The CPR instruction must:

- be an instructional program developed by the American Heart Association or the American Red Cross or be nationally recognized and based on the most current national evidence-based emergency cardiovascular care guidelines for CPR;
- include appropriate use of an AED, which may be taught by video; and

- incorporate hands-on practice in addition to cognitive learning.

School districts may offer the instruction in CPR directly or arrange for a community-based provider to deliver the instruction. The instruction is not required to be provided by a certificated teacher. Certificated teachers providing the instruction are not required to be certified trainers of CPR. Students are not required to earn CPR certification to complete this instruction.

**Votes on Final Passage:**

House	83	14	
Senate	41	5	(Senate amended)
House	83	12	(House concurred)

**Effective:** July 28, 2013

HB 1565

C 36 L 13

Funding the prescription monitoring program from the medicaid fraud penalty account.

By Representatives Harris, Green, Jinkins, Cody, Ryu and Morrell.

House Committee on Appropriations  
Senate Committee on Health Care

**Background:** Prescription Monitoring Program. Legislation enacted in 2007 required the Department of Health (DOH) to implement a Prescription Monitoring Program (PMP), subject to available funding, to monitor the prescribing and dispensing of schedule II through V controlled substances. Dispensers, who include practitioners and pharmacies, must electronically report information to the DOH about each prescription dispensed. Information in the PMP is available to prescribers and dispensers.

The 2007 legislation directed the DOH to seek federal grants to support the PMP and prohibited the DOH from charging a fee to practitioners or pharmacists for the PMP's operations.

In 2010 and 2011 the DOH received federal and private grants to develop and implement the PMP.

Medicaid Fraud Penalty Account. In 2012 legislation was enacted creating the Medicaid Fraud Penalty Account (Account). Civil penalties received from actions against Medicaid service providers and receipts from judgments or settlements under either the state Medicaid Fraud False Claims Act or federal False Claims Act must be deposited into the Account. Moneys in the Account may be appropriated for Medicaid services and Medicaid fraud prevention, detection, and enforcement activities.

**Summary:** The Account may be used to fund the PMP. All operations and management of the PMP must be funded entirely from the Account, although voluntary contributions from private individuals and businesses may be used to assist in funding the PMP. The DOH must continue to seek federal grants to support the PMP.

**Votes on Final Passage:**

House 97 0  
 Senate 48 0

**Effective:** July 28, 2013

**2SHB 1566**

C 182 L 13

Concerning educational outcomes of youth in out-of-home care.

By House Committee on Appropriations (originally sponsored by Representatives Carlyle, Kagi, Ryu, Roberts, Moscoso and Pollet).

House Committee on Early Learning & Human Services  
 House Committee on Appropriations  
 Senate Committee on Human Services & Corrections  
 Senate Committee on Ways & Means

**Background:** Beginning in 2001 the Washington Legislature, the Department of Social and Health Services Children's Administration (DSHS), the Office of the Superintendent of Public Instruction (OSPI), and the Washington State Institute for Public Policy (WSIPP) have studied and developed strategies in an effort to improve the educational outcomes for youth residing in out-of-home placements.

Between the years of November 2001 and December 2012, the WSIPP completed 13 evaluations that examine an array of educational outcomes for youth in foster care and studied the impact of specific interventions aimed to improve educational achievement for said youth. Additionally, in 2008 the Legislature enacted Substitute House Bill 2679, which required that the OSPI complete annual reports for the Legislature that examine the experiences and educational outcomes for youth in foster care. In 2003 the Legislature enacted Substitute House Bill 1058, which required the DSHS to maximize educational continuity and achievement for foster children. It mandated, among other provisions, that the DSHS form a multidisciplinary oversight committee to promote best case practice for staff working with school-age youth who are residing in foster homes and monitor educational outcomes of these youth. The collaboration continues to meet and develop action plans to strengthen educational success for children and youth in foster care.

In 2004 the *Braam* settlement agreement, further required the DSHS to create benchmark measures for school stability with an annual goal of no more than 20 percent of youth in the state's care changing schools during a given school year. According to reports, the DSHS is currently in compliance with this educational benchmark as listed in the *Braam* settlement.

**Summary:** The DSHS is required to identify an educational liaison at shelter care hearings and all subsequent review hearings for youth in grades six to 12 and who meet

certain eligibility requirements. It is presumed that the educational liaison is the child's parent. If the youth's parent is not able to serve as the educational liaison, it is preferred that the educational liaison be known to the child and be a relative, other suitable person, or the youth's foster parent.

The expectations of the education liaison are outlined and an example of expectations include, but are not limited to, attend school meetings, provide educational advocacy for the youth, seek to understand the youth's academic strengths and future goals, and explore barriers and opportunities for the youth to participate in extracurricular activities.

It is the responsibility of the DSHS to discuss and document any school transfers at Family Team Decision-Making Meetings, to enroll the youth in school, to obtain missing academic or medical records required for school enrollment, to pay any unpaid fines due by the youth to the school district, and to document factors contributing to any school disruptions. Additionally, eligibility requirements for the Passport to College Promise Program expand to include youth participating in the extended foster care program, youth achieving a permanent plan after 17-1/2 years of age, or youth emancipating from foster care on or after January 1, 2007.

A school district representative or school employee is required to review and determine the cause of unexpected absences and proactively support the youth so the youth does not fall behind academically. A school district cannot prevent a youth from enrolling in school if there is incomplete information needed for enrollment. Beginning January 2015 a university based research group must submit an annual report to the Legislature examining education outcomes for youth in foster care.

**Votes on Final Passage:**

House 86 12  
 Senate 47 1 (Senate amended)  
 House 83 12 (House concurred)

**Effective:** July 28, 2013

**SHB 1568**

C 144 L 13

Concerning the business licensing service program administered by the department of revenue.

By House Committee on Finance (originally sponsored by Representatives Carlyle, Nealey and Ryu; by request of Department of Revenue).

House Committee on Finance  
 Senate Committee on Ways & Means

**Background:** In 2011 the responsibility for administration of the Master License Service (MLS) program was transferred from the Department of Licensing to the Department of Revenue (DOR). The transfer included funding, staff, and tangible property associated with the MLS.

The responsibilities transferred to the DOR included:

- administering the MLS. This includes nearly 300 state and local business licenses;
- establishing handling fees for master applications and renewals by rule, subject to new statutory maximums. The current fees are \$15 for master applications and \$9 for renewal applications. The fees could be increased to \$19 for master applications and \$11 for renewal applications;
- administering a performance-based grant program, subject to appropriations from the master license account. The grants provide funding assistance to counties and cities that issue business licenses and would like to join the MLS. The total amount of grants may not exceed \$750,000 in a fiscal year; and
- providing information regarding the regulatory programs associated with each license obtainable under the MLS.

The MLS was renamed the Business License Service (BLS) after the transfer in 2011.

The DOR may specify forms and set fees for trade name registration and renewal by rule. Fees may not exceed the actual costs to administer the registration and renewal of trade names through the BLS and must be deposited into the master license fund. State law does not provide an explicit process in statute for trade name renewal or cancelation.

**Summary:** Many technical changes are made to business licensing and trade name laws. In addition, more specificity is provided in state law regarding the renewal and cancellation of trade names. Trade name renewal may not occur more often than annually. The DOR may cancel the trade name of any person whose business license account becomes inactive in the DOR business license system or at the request of the person to whom the trade name is registered. The DOR is required to make reasonable effort to provide notice to a person prior to cancelation of a trade name unless it is the person requesting the cancellation of a trade name.

"Person" is defined for disclosure of licensing information in the same manner as for business and occupation taxes, and means certain individuals and entities. "Person" also includes the state and its departments and institutions.

References to the master license service in statute are changed to the business license service.

Obsolete provisions of the law are eliminated.

**Votes on Final Passage:**

House	97	0
Senate	47	1

**Effective:** July 28, 2013  
July 1, 2014 (Section 2)

Creating greater efficiency in the offices of county assessors by allowing notification via electronic means.

By Representatives Springer, Kochmar, McCoy, Habib, Upthegrove, Fitzgibbon, Ryu, Maxwell, Riccelli and Moscoso.

House Committee on Local Government  
Senate Committee on Governmental Operations

**Background:** The county assessor (assessor) determines the value of all taxable real and personal property in a county for the purpose of determining tax liabilities of property owners. The assessor also calculates the tax rate necessary to raise the correct amount of property taxes for each taxing district and administers a variety of tax exemptions.

The assessor is required to send certain notices and information by mail. This includes notices sent to taxpayers regarding:

- any change in the true and fair value of taxpayers' real property;
- the assessed value of taxpayers' personal property;
- the imposition of an additional tax or penalty in cases of disqualification for valuation of historic property; and
- the amount of a compensating tax owed when a designation of land as forest land has been removed.

The assessor is authorized to mail or electronically transmit notices related to valuing personal property. Electronic notice may be sent to persons in the county with personal property that must be assessed and who must make and deliver to the assessor a correct list and statement of personal property.

**Summary:** Assessors are authorized to send by electronic means (*i.e.*, by electronic mail (e-mail) or other electronic means reasonably calculated to apprise the person of the information) assessments, notices, or other information that they would otherwise be required to send, or would customarily send, by regular mail. To send notice electronically assessors must:

- receive authorization from the recipient to send any such assessment, notice, or other information electronically; and
- use methods reasonably designed to protect certain confidential information from unauthorized disclosure, unless the taxpayer has executed a written waiver.

Authorizations to receive assessments, notices, or other information electronically remain in effect unless or until revoked in writing. Information that is electronically transmitted is deemed to have been mailed on the date that the assessor electronically sends the information or elec-

tronically notifies the person that the information is available and accessible.

Information obtained by the assessor for purposes of providing electronic notice and protecting taxpayer information, such as taxpayer e-mail addresses, waivers, or passwords are not subject to disclosure under the Public Records Act.

**Votes on Final Passage:**

House	98	0
Senate	46	2

**Effective:** July 28, 2013

**HB 1609**

C 19 L 13

Renaming the board of pharmacy.

By Representatives Schmick, Cody and Ryu.

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

**Background:** The Board of Pharmacy has a variety of functions, including the licensing of pharmacies, pharmacists, pharmacy assistants, and pharmacy technicians and regulating legend drugs and controlled substances. The Board of Pharmacy consists of seven members, five of whom must be licensed pharmacists and two of whom must be members of the public.

**Summary:** The Board of Pharmacy is renamed the "Pharmacy Quality Assurance Commission."

The following members are added to the Pharmacy Quality Assurance Commission: five members who must be licensed pharmacists, two members who must be members of the public, and one member who must be a licensed pharmacy technician.

**Votes on Final Passage:**

House	90	7
Senate	48	0

**Effective:** July 28, 2013  
July 1, 2016 (Section 45)

**SHB 1612**

C 183 L 13

Concerning information on firearm offenders.

By House Committee on Judiciary (originally sponsored by Representatives Hope, Pedersen, Hayes, Buys, Dahlquist, Hargrove, O'Ban, Holy, Goodman, Fagan, Smith, Magendanz, Orcutt, Klippert, Kretz, Warnick, Roberts, Moscoso, Ryu and Bergquist).

House Committee on Judiciary  
Senate Committee on Law & Justice  
Senate Committee on Ways & Means

**Background:** The Washington State Patrol (WSP) is the state's central repository for criminal history data, and maintains a database of criminal history record information (CHRI), including fingerprint-based records and disposition information submitted by law enforcement agencies and courts throughout the state. Criminal justice agencies may request and receive unrestricted CHRI from the WSP for criminal justice purposes. The public may also request and receive CHRI for non-criminal justice purposes, limited to conviction information, other CHRI less than one year old, and information regarding registered sex or kidnapping offenders.

**Summary:** The WSP is required to maintain a felony firearm offense conviction database of felony firearm offenders. Felony firearm offenders are persons who have been convicted or found not guilty by reason of insanity in this state of various felony firearm offenses. The database is only for law enforcement purposes and is not subject to public disclosure.

Upon conviction or finding of not guilty by reason of insanity of a felony firearm offense, the court must consider whether to impose a requirement that the person register as a felony firearm offender. In exercising its discretion, the court must consider relevant factors including the person's criminal history, whether the person has been previously found not guilty by reason of insanity of any offense in any state, and any evidence of the person's propensity for violence that would likely endanger others.

A person required to register must do so in person with the county sheriff no later than 48 hours after release from custody or the date the court imposes the felony firearm offender's sentence, if the offender receives a sentence that does not include confinement. The offender must register yearly, no later than 20 days after each anniversary of the first registration. The duty to register continues for four years. Upon expiration of the person's duty to register, the WSP must automatically remove the person's name and information from the registry.

A variety of information must be provided in the registration process, including: name and aliases; residential address; identifying information including a physical description; the offense for which the person was convicted; date and place of conviction; and the names of any other county where the offender has registered as a felony firearm offender. The county sheriff may require verifying documentation of the required information and may take the person's photograph or fingerprints for inclusion in the registry.

If the registrant changes his or her residential address within the state, he or she must provide updated address information within 48 hours of moving. If the person lacks a fixed address, they must disclose where they plan to stay.

A person who has a duty to register and knowingly fails to comply with any of the registration requirements is guilty of a gross misdemeanor.



## SHB 1613

### Votes on Final Passage:

House	85	10	
Senate	41	7	(Senate amended)
House	89	8	(House concurred)

**Effective:** July 28, 2013

## SHB 1613

C 265 L 13

Establishing the criminal justice training commission firing range maintenance account.

By House Committee on Appropriations Subcommittee on General Government (originally sponsored by Representatives Hudgins, Parker, Maxwell, Hayes, Moscoso, Ryu and Stanford; by request of Criminal Justice Training Commission).

House Committee on Appropriations Subcommittee on General Government

Senate Committee on Law & Justice

**Background:** The Criminal Justice Training Commission (CJTC) operates a training center located in Burien. One of the facilities located on the training center campus is a firing range. When the CJTC rents the firing range facility to outside users, any rental fees collected are deposited as General Fund-Local.

**Summary:** The Criminal Justice Training Commission Firing Range Maintenance Account (CJTC Account) is created in the custody of the State Treasurer. Moneys generated by the rental of the CJTC's firing range facilities must be deposited into the CJTC Account. Expenditures from the CJTC Account may only be used for costs related to rental, maintenance, or development of the CJTC's firing range facilities, property, and equipment. The CJTC Account is subject to allotment procedures, but an appropriation is not required for expenditures.

### Votes on Final Passage:

House	96	2	
Senate	47	0	

**Effective:** July 28, 2013

## SHB 1617

C 145 L 13

Concerning the administrative costs for the allocation, management, and oversight of housing trust fund investments.

By House Committee on Community Development, Housing & Tribal Affairs (originally sponsored by Representatives McCoy, Warnick, Orwall, Ryu, Smith, Maxwell, Moscoso and Freeman; by request of Washington State Department of Commerce).

House Committee on Community Development, Housing & Tribal Affairs

House Committee on Capital Budget

Senate Committee on Financial Institutions, Housing & Insurance

**Background:** Housing Trust Fund. Established at the Department of Commerce (Department) in 1987 and funded beginning in 1989, the Washington State Housing Trust Fund (Housing Trust Fund) helps communities meet the housing needs of low-income and special needs populations. Ninety-three percent of households served are below 50 percent of area median income, with 71 percent below 30 percent of area median income.

The Housing Trust Fund portfolio is currently \$860 million. The Housing Trust Fund appropriations from the Capital Budget have supported the development of more than 41,000 single and multifamily units statewide. Capital budget appropriations for housing from 2003-05 through 2011-13 were as follows:

- \$81 million in the 2003-05 biennium;
- \$121 million in the 2005-07 biennium;
- \$200 million in the 2007-09 biennium;
- \$130 million in the 2009-11 biennium; and
- \$117 million in the 2011-13 biennium.

Two primary state programs operate within the Housing Trust Fund: the Housing Assistance Program and the Affordable Housing Program.

Housing Assistance Program. The Housing Assistance Program, administered by the Department, uses the Housing Trust Fund and other appropriations to finance loans and grant projects that provide housing for households with special housing needs and with incomes at or below 50 percent of the project area's median family income. At least 30 percent of funds in any cycle must benefit projects located in rural parts of the state.

Affordable Housing Program. The Affordable Housing Program, administered by the Department, uses the Housing Trust Fund and other appropriations for the purpose of developing and coordinating public and private resources targeted to meet the affordable housing needs of households below 80 percent of the project area's median family income.

Administrative Costs. In general, the cap on the Department's administrative costs is 5 percent of the annual

funds available for the Housing Assistance Program and 4 percent of the annual funds available for the Affordable Housing Program. For the 2011-13 fiscal biennium, however, the cap on administrative costs associated with application, distribution, and project development activities was reduced to 3 percent of the annual funds available for the programs. Reappropriations were not to be included in the calculation of the annual funds available for determining the administrative costs. Also for the 2011-13 fiscal biennium, a cap on administrative costs for compliance and monitoring activities was set at 0.25 percent of the contracted amounts of state investment in the programs.

**Summary:** The caps on administrative costs for the Housing Assistance Program and the Affordable Housing Program for the 2011-13 fiscal biennium are made permanent.

The cap on administrative costs associated with application, distribution, and project development activities is set at 3 percent of annual funds available for the Housing Assistance Program and the Affordable Housing Program. Reappropriations are not included in the calculation of the annual funds available for determining the administrative costs.

The cap on administrative costs for compliance and monitoring activities is set at 0.25 percent of the contracted amounts of state investment in the Housing Assistance Program and the Affordable Housing Program. "Contracted amount" is defined as the aggregate amount of all state funds for which the Department of Commerce has monitoring and compliance responsibility.

**Votes on Final Passage:**

House	98	0
Senate	47	0

**Effective:** July 28, 2013

**ESHB 1625**

C 37 L 13

Concerning limitations on certain tow truck operator rates.

By House Committee on Transportation (originally sponsored by Representatives Pollet, Clibborn, Kagi, Pedersen, Hunt, Riccelli, Appleton, Hudgins, Moscoso, Fitzgibbon, Morrell, Sells and Bergquist).

House Committee on Transportation  
Senate Committee on Transportation

**Background:** Tow trucks are motor vehicles that are equipped for and used in the business of towing vehicles. By rule, tow trucks are divided into several classes, depending upon their size, equipment, and capabilities. Tow truck operators must apply for a license with the Department of Licensing (DOL) and the Washington State Patrol (WSP). Tow trucks must be inspected by the WSP and issued an annual permit. The WSP must also conduct annual inspections of a tow truck operator's equipment and facil-

ities. Tow truck operators must file a fee schedule with the DOL, and may not charge a fee that exceeds the filed amount. Operators also must file with the DOL a surety bond in the amount of \$5,000.

Tow truck operators may also seek a letter of appointment from the WSP. This letter authorizes a registered tow truck operator to tow and store vehicles for the WSP. The WSP refuses to issue a letter of appointment if the applicant, partner, corporate officer involved in daily operations, or any employee who operates a tow truck has been convicted of: (1) a class A felony or sex offense; (2) a class B felony in the last 10 years; (3) a class C felony in the last five years; (4) a Driving Under the Influence two or more times in the last five years; or (5) a gross misdemeanor in the last three years. The WSP may not issue a letter of appointment if any such person has been convicted of a misdemeanor in the last year or fails to demonstrate character and general fitness sufficient to command the confidence of the WSP.

There are two kinds of impound procedures. A public impound is directed by a law enforcement officer and may be conducted only by a tow truck operator who has a letter of appointment from the WSP. A private impound, however, is directed by a private property owner upon which the vehicle was located and may be conducted by any registered tow truck operator, whether or not the operator holds a letter of appointment. Every year, the WSP establishes the maximum towing and storage rates that may be charged by an operator who responds to a WSP call. A contractual agreement, signed by the WSP and the operator, then becomes part of the operator's letter of appointment.

**Summary:** The fees charged by Class A, Class D, and Class E tow trucks are subject to a cap. For private impounds, a tow truck operator may not file a fee schedule with an hourly rate that exceeds 135 percent of the maximum rate for a Class A tow truck as negotiated with the WSP. The filed fee schedule also may not have a storage rate exceeding 135 percent of the maximum daily storage rate as negotiated with the WSP or an after-hours release fee exceeding 100 percent of the maximum after-hours release fee as negotiated with the WSP.

These limits, however, do not apply to: (1) other classes of tow trucks; (2) private voluntary towing; or (3) the towing of a vehicle that is not parked or not upright, does not have all of its wheels or tires, or has a broken axle. These limits also do not apply if the vehicle is being towed from a location at which it was involved in an accident.

Certain local laws that limit tow truck operators' fees and rates remain enforceable. These limits may be enforced if the local law was adopted before January 1, 2013, and if the local limits are valid under existing state law.

**Votes on Final Passage:**

House	91	7
Senate	47	0

**Effective:** July 28, 2013

SHB 1629

C 259 L 13

Concerning credentialing and continuing education requirements for long-term care workers.

By House Committee on Health Care & Wellness (originally sponsored by Representatives Cody, Schmick, Jinkins, Tharinger, Green, Pollet, Morrell, Santos and Ryu).

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

**Background:** A long-term care worker is any person who provides paid, hands-on personal care services for the elderly or persons with disabilities. The term includes individual providers of home care services, direct care workers employed by home care agencies, providers of home care services to people with developmental disabilities, direct care workers in assisted-living facilities and adult family homes, and respite care providers. The term does not include employees of nursing homes, hospitals, acute care settings, residential habilitation centers, hospice agencies, adult day care centers, and adult day health centers.

Long-term care workers must become certified home care aides unless an exemption applies. Exempt individuals include registered nurses, licensed practical nurses, certified nursing assistants, home health aides, long-term care workers employed by community residential service businesses, and individual providers caring for only their biological, step, or adoptive child or parent. In many cases, individuals who are exempt from home care aide certification must still meet specific training requirements in order to provide caregiver activities.

Long-term care workers must be certified as home care aides within 150 days after the date of hire. To become certified as a home care aide, a long-term care worker must complete 75 hours of training, pass a certification examination, and pass state and federal background checks. Long-term care workers may work once they have completed five hours of safety and orientation training. Long-term care workers who have not received home care aide certification within 150 days from the date of hire are prohibited from working.

**Summary:** The time that a long-term care worker has to become a certified home care aide is increased from 150 to 200 days after the date of hire.

A provisional certification is established for long-term care workers who are limited English proficient and have complied with all other home care aide certification requirements. The provisional certification provides the long-term care worker with an additional 60 days to become certified as a home care aide. The provisional certification program expires on July 1, 2016.

Registered nurses and licensed practical nurses are exempt from the continuing education training that is required for long-term care workers.

Caregivers in adult family homes must practice under direct supervision, rather than indirect supervision, prior to demonstrating competence in basic training.

**Votes on Final Passage:**

House	96	0
Senate	47	1

**Effective:** July 28, 2013

ESHB 1632

C 23 L 13

Regulating the use of off-road vehicles in certain areas.

By House Committee on Transportation (originally sponsored by Representatives Shea, Blake, Kristiansen, Sells, Warnick, Upthegrove, Wilcox, Scott, Moscoso, Fagan and Condotta).

House Committee on Transportation

**Background:** Off-road vehicles (ORVs) are labeled by the manufacturer's statement or certificate of origin as intended for "off-road use." The ORVs must display a current ORV tag that is purchased for \$18. The Department of Licensing (DOL) issues the registrations and temporary-use permits for ORVs and issues the ORV decals for a fee that covers the actual cost of the decal. The DOL retains funds sufficient to cover expenses incurred in the administration of the ORV fee; the remaining funds are distributed for off-road recreational facilities.

Any out-of-state operator of an ORV, when operating an ORV in Washington, must have the ORV registered in the state of the operator's residence or obtain a temporary ORV-use permit. A person must be 13 years of age or older to operate an ORV. A person under 13 years old may operate an ORV under the direct supervision of a person 18 years or older who possesses a valid driver's license.

It is lawful to operate an ORV on a non-highway road if the state, federal, local, or private authority responsible for the management of the non-highway road authorizes the use of ORVs on that road.

If a person operating an ORV is in violation of one of the operator-behavior or equipment-requirement items listed in the ORV statutes, the fine is a traffic infraction. These infractions are treated in the same manner as any other motor vehicle traffic infraction.

A person may operate an off-road motorcycle (not including wheeled all-terrain vehicles) upon a public road, street, or highway if the person complies with the following requirements:

- files a motorcycle-use declaration, in which the DOL certifies conformance with all applicable federal motor vehicle safety standards and state standards;

- obtains and has in full force and effect a current and proper ORV registration or temporary ORV-use permit;
- obtains a valid driver's license and motorcycle endorsement issued to Washington residents; and
- installs various outlined motorcycle components, if not already present on the off-road motorcycle, which include a head lamp, a tail lamp, reflectors, brakes, a mirror on both the left and right handlebars, a wind-shield (unless the operator is wearing eye protection), a horn or warning device, turn signals, tires, and fenders.

The off-road motorcycle must be inspected by a Washington motorcycle repair shop or motorcycle dealer who must certify that it meets the equipment requirements.

The owner of the off-road motorcycle must sign a release that releases Washington from any liability.

Any city, county, or other political subdivision of Washington, or any state agency, may regulate the operation of non-highway vehicles on public lands, waters, and other properties under its jurisdiction, and on streets, roads, or highways within its boundaries, by adopting regulations or ordinances, provided such regulations are not less stringent than state laws.

The legislative body of a city with a population of less than 3,000 may, by ordinance, designate a street or highway within its boundaries to be suitable for use by ORVs. The legislative body of a county may, by ordinance, designate a road or highway within its boundaries to be suitable for use by ORVs if the road or highway is a direct connection between a city with a population of less than 3,000 and an ORV recreation facility.

**Summary:** Wheeled All-terrain Vehicles. The Legislature intends to standardize ORV rules, open up certain roadways to wheeled all-terrain vehicles, and stimulate economic activity.

Definitions are provided for "primitive road," "direct supervision," "emergency management," and "wheeled all-terrain vehicle."

A number of rules regarding the registration of wheeled all-terrain vehicles are provided. The operator of every wheeled all-terrain vehicle operated within this state (unless exempt) must obtain a metal tag from the DOL for \$18 and display that metal tag on the rear of the vehicle along with an off-road tab in the bottom left corner. For wheeled all-terrain vehicles *operated upon public roadways*, the operator must also have a proper vehicle registration, pay the annual license fee of \$30, and display a bright colored decal in the bottom right corner of the tag indicating the vehicle is road legal. For wheeled all-terrain vehicles *operated off-road only*, the operator must have a proper ORV registration (\$18) or temporary use permit.

**Cost Breakdown.** The operator of every wheeled all-terrain vehicle must pay a one-time cost of \$18 for the metal tag plus:

- an annual cost to operate off-road of \$18 for registration or \$10.75 for a temporary use permit. The revenue is deposited into the Non-highway and Off-road Vehicle Activities Program Account; and
- an annual cost to operate on public roadways, which is \$12 for a "road legal decal" plus an \$18 licensing fee, equaling \$30. The \$12 is deposited into the newly-created Multiuse Roadway Safety Account and the \$18 is deposited into the Non-highway and Off-road Vehicle Activities Program Account.

The metal tag must be replaced every seven years at a cost of \$2 and the revenue is deposited into the Non-highway and Off-road Vehicle Activities Program Account.

The DOL must issue metal tags and registrations for wheeled all-terrain vehicles. The DOL must design the metal tag, which must be the same size as a motorcycle license plate.

A wheeled all-terrain vehicle may not be registered for commercial use.

A person must have a valid driver's license to operate a wheeled all-terrain vehicle on a public roadway. A person who operates a wheeled all-terrain vehicle must follow the motorcycle rules except that wheeled all-terrain vehicles may not be operated side by side in a single lane of traffic. A violation of these requirements is a traffic infraction.

The DOL may develop and implement, along with rules, an online training course for people who register wheeled all-terrain and utility-type vehicles for use on a public roadway. Any future costs associated with the training course must be appropriated from the Highway Safety Account and any fees collected must be deposited into the Highway Safety Account.

Wheeled all-terrain vehicles may operate on a public roadway, not including non-highway roads and trails, under the following conditions:

- in a county with a population of 15,000 or more if the county by ordinance has approved the operation of wheeled all-terrain vehicles on the county roadways;
- in a county with less than 15,000 in population unless the county has designated roadways or highways within its boundaries to be unsuitable for use by wheeled all-terrain vehicles; and
- in a city or town providing that the city or town by ordinance has approved the operation of wheeled all-terrain vehicles on city or town roadways.

This provision does not affect any roadway designated as open or closed as of January 1, 2013.

City, town or county roadways authorized or deemed unsuitable for use by wheeled all-terrain vehicles must be listed publicly and made accessible from the county, city, or town's webpage.

Any person who operates on a public roadway in violation of the rules above commits a traffic infraction. Accidents must be recorded and tracked in a separate category.

Local authorities may not establish additional requirements for registration of wheeled all-terrain vehicles.

A person may operate a wheeled all-terrain vehicle on a public roadway, trail, non-highway road, or highway in the state while under the authority or direction of an appropriate emergency management agency.

A wheeled all-terrain vehicle is an ORV for the purposes of the recreational immunity statutes.

Equipment requirements for a wheeled all-terrain vehicle include: (1) headlights; (2) one tail lamp, except that utility-type vehicles must have two tail lamps; (3) a stop lamp; (4) reflectors; (5) turn signals if operating during hours of darkness; (6) a mirror attached to either the right or left handlebar, except that a utility-type vehicle must have two mirrors; (7) a windshield (unless the operator is wearing eye protection); (8) a horn or warning device; (9) brakes in working order; (10) a spark arrestor and muffler; and (11) seatbelts for utility-type vehicles. The equipment requirements do not apply to emergency service vehicles or vehicles used for agricultural or timber products.

A person who operates a wheeled all-terrain vehicle upon a roadway must provide a declaration that includes the following:

- documentation of a safety inspection to be completed by a licensed wheeled all-terrain vehicle dealer or repair shop that certifies under oath that all wheeled all-terrain vehicle required equipment is installed. A person who makes a false statement regarding an equipment inspection commits a gross misdemeanor;
- documentation that the dealer or repair shop did not charge more than \$50 for the inspection; and
- a signed release that releases Washington from any liability.

The DOL must track wheeled all-terrain vehicles in a separate registration category for reporting purposes.

A person who operates a wheeled all-terrain vehicle in violation of specified operating rules or inconsistent with the emergency exemption is subject to a traffic infraction. Any law enforcement officer may issue a traffic infraction whether or not the infraction was committed in the officer's presence, as long as there is reasonable evidence that the operator committed a violation.

The Multi-Use Roadway Safety Account is created. The \$30 registration fee for wheeled all-terrain vehicles used on public roadways must be deposited into this account. Funds from this account may be spent on: (1) safety engineering analysis; (2) signs to alert the motoring public that wheeled all-terrain vehicles may be present or crossing; or (3) law enforcement for purposes of defraying

costs of enforcement involving wheeled all-terrain vehicles.

Off-road Vehicles. Rules regarding the operation of ORVs on public roads are modified. A wheeled all-terrain vehicle is not an ORV for purposes of these rules.

The ORV registration requirement does not apply to wheeled all-terrain vehicles registered for use on a public roadway.

The following vehicles are exempt from ORV registration and decal requirements: (1) ORVs operated on and across agricultural and timber lands; (2) ORVs used for emergency management; and (3) ORVs operated by persons rendering emergency assistance.

An ORV may operate on any trail, non-highway road, or highway while under the direction of emergency management, search and rescue, or law enforcement, within the scope of their official duties.

No person under 16 years of age may operate an ORV on or across a highway or non-highway road without direct supervision of a person 18 years or older possessing a valid driver license. This restriction does not apply to emergency management or while rendering emergency assistance. Persons under 16 years of age may operate an ORV across a highway if, at the crossing, signs indicate that wheeled all-terrain vehicles or ORVs may be crossing. These operator age requirements do not apply to vehicles used in the production of agricultural or timber products on and across lands owned, leased, or managed by the owner or operator of a wheeled all-terrain vehicle or the operator's employer.

An ORV operator is exempt from the helmet requirement when the ORV is used in the production of agricultural and timber products on and across lands owned, leased, or managed by the owner or operator's employer.

The purposes for which funds collected for off-road vehicle registrations may be spent are expanded to include projects and activities that benefit off-road vehicle recreation on publicly-owned lands.

Administrative. A \$12 initial and renewal fee for on-road use is established. The \$18 initial and renewal fee for ORVs is placed in the vehicle registration fee statutes.

A wheeled all-terrain vehicle is exempt from the requirement to obtain motor vehicle liability insurance.

The definition of a motor vehicle does not include wheeled all-terrain vehicles for purposes of regulating access to recreational lands.

Investment earnings from the Multi-Use Roadway Safety Account are retained in that account.

**Votes on Final Passage:**

Second Special Session

House	81	11
Senate	39	5

**Effective:** July 28, 2013  
 July 1, 2015 (Section 3)  
 Contingent (Section 25)

**ESHB 1633**  
 C 223 L 13

Modifying school district bidding requirements for improvement and repair projects.

By House Committee on Capital Budget (originally sponsored by Representatives Magendanz, Haigh, Dahlquist, Santos, Pollet, Smith, Wylie, Takko, Angel, Clibborn, Condotta and Scott).

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

**Background:** Competitive bidding is required for purchases, repairs, and improvements by state agencies and municipalities, including school districts. Exceptions include:

- emergency purchases;
- direct buy purchases as designated by the Department of Enterprise Services;
- sole source purchases;
- insurance and bonds required for risk management;
- purchases for vocational rehabilitation clients;
- purchases by universities for hospital operation or research purposes;
- purchases for resale by institutions of higher education when used for purposes of supporting instructional space; and
- certain Washington grown food.

School districts have the authority to make repairs, improvements, and purchases without competitive bidding when the work or purchases of goods not including books are below \$40,000. Repairs, improvements, or purchases that are \$40,000 or below may be performed by the school district.

**Summary:** The threshold for repairs, improvements, and purchases that require competitive bidding is increased from \$40,000 to \$75,000.

**Votes on Final Passage:**

House	86	11	
Senate	33	13	(Senate amended)
House	83	12	(House concurred)

**Effective:** July 28, 2013

**HB 1639**  
 C 38 L 13

Adjusting presidential elector compensation.

By Representatives Bergquist, Pike, Riccelli, Carlyle, Walsh, Ryu and Moscoso; by request of Secretary of State.

House Committee on Government Operations & Elections  
 Senate Committee on Governmental Operations

**Background:** Candidates for President and Vice President of the United States are not elected by direct popular vote. The candidates are elected by the United States Electoral College, whose delegates are chosen by the states. Each state has the same number of presidential electors as it has United States Representatives and Senators combined. In presidential election years, Washington's electors travel to Olympia in December to cast their votes.

The existing \$5 per diem and 10 cents per mile travel allowance for presidential electors were established by the Legislature in 1891.

When other state officials or employees are engaged on official business away from their designated posts of duty, they are eligible to receive a subsistence allowance, at rates established by the Director of the Office of Financial Management. As of January 1, 2013, in locations not designated as "high cost" locations, this allowance is \$77 per day for lodging, \$46 per day for food, and 56.5 cents per mile travelled by a privately-owned vehicle.

**Summary:** Presidential electors are entitled to receive a subsistence allowance and travel expenses for each day's attendance at the electoral college meeting, at the same rates established by the Director of the Office of Financial Management for other state officials and employees.

**Votes on Final Passage:**

House	78	19
Senate	38	10

**Effective:** July 28, 2013

**2SHB 1642**  
 C 184 L 13

Regarding academic acceleration for high school students.

By House Committee on Appropriations (originally sponsored by Representatives Pettigrew, Springer, Habib, Holy, Ryu and Magendanz).

House Committee on Education  
 House Committee on Appropriations  
 Senate Committee on Early Learning & K-12 Education  
 Senate Committee on Ways & Means

**Background:** There are a number of different programs that provide high school students the opportunity to earn dual high school and college credit. For example:

1. Advanced Placement (AP) courses are recognized by the College Board as having college-level curricula.

Most colleges and universities award students college credit for achieving a certain score on the AP course exam.

2. International Baccalaureate (IB) is a series of academically rigorous courses, activities, and examinations. Students may take individual courses or attempt to complete an IB diploma based on the full program. Like the AP, colleges and universities award credit based on exam scores.
3. The Cambridge Program is similar to the IB in offering an internationally-recognized rigorous set of courses and examinations.
4. College in the High School is a program in which a high school and a college or university enter a contract to have a course that is taught by a high school teacher to generate college credit.
5. Tech Prep offers students the opportunity to apply to a community or technical college to have high school career and technical education courses recognized for college credit.
6. Running Start is a program where high school students may enroll in a participating public institution of higher education in Washington and earn both high school and college credit. For the most part, students attend class on the college campus. State funding is transferred from the high school to the college in lieu of tuition.

The following data is from the 2011-12 Dual Credit Program report from the Office of the Superintendent of Public Instruction (OSPI):

Program	# Schools	# Students
Advanced Placement	304	47,565
International Baccalaureate	15	5,696
Cambridge Program	2	1,138
College in the High School	112	12,742
Tech Prep (Dual Credit Earned)	379	28,946
Running Start	440	17,505

The OSPI posts information about dual credit program enrollment by school district and high school on the School Report Card website. The information does not indicate pass-rates on program examinations.

The statewide assessment system measures whether a student meets the state learning standard in a particular subject area. High school students take state assessments in reading, writing, mathematics, and science. The state standard for mathematics is measured using an end-of-course test in Algebra I and Geometry. The standard for science is measured using an end-of-course test in Biology. The reading and writing assessments are administered in 10th grade.

**Summary:** *Academic Acceleration Policy.* Each school district is encouraged to adopt an Academic Acceleration Policy (Policy) where students who meet the state standard on the high school state assessment are automatically

enrolled in the next most rigorous advanced course offered by the high school. Students who are successful in that course are then automatically enrolled in the next most rigorous course, with the objective that these students will eventually be automatically enrolled in dual credit courses.

The subject of the course depends on the subject of the state assessment. Students must pass end-of-course tests in both Algebra I and Geometry to meet the standard in mathematics. Students who meet the standard in reading and writing qualify for advanced English, Social Studies, Humanities, and other related courses.

Under the Policy, school districts must notify students and parents about the Policy, and must provide parents an opportunity to opt out and enroll the student in alternative courses.

*Academic Acceleration Incentive Program.* Subject to funding, the Academic Acceleration Incentive Program is created. Half of the appropriated funds are allocated on a competitive basis as one-time grants for high schools to expand the availability of dual credit courses. To be eligible, a school district must have adopted a Policy. The OSPI must give priority to high schools with a high proportion of low-income students and high schools seeking to develop new capacity for dual credit courses.

The other half of the appropriated funds are allocated as an incentive award to school districts for each student who earned dual credit in specified courses offered by a high school in the previous year. The amount of the award for low-income students is 125 percent of the base amount. Each student counts once, even if they earned more than one credit. The award must go to the high school that generated it. The Legislature intends that funds be used to support teacher training, curriculum, exam fees, and other costs of dual credit courses.

The award is based on the number of students who:

1. earned a score of three or higher on an AP exam;
2. earned a score of four or higher on an IB exam;
3. successfully completed a Cambridge Advanced International Certificate of Education exam;
4. earned college credit through a College in the High School course; or
5. earned college credit through a Tech Prep course.

Online dual credit courses count as being offered by the high school if the high school offers them at no charge to the student. Enrollment in Running Start does not count toward an award.

The OSPI must include information on dual credit exam pass-rates and college credits awarded in the School Report Card. The OSPI must also report to the Legislature by January 1 of each year on the demographics of students earning dual credits in the schools receiving Academic Acceleration grants or awards.

**Votes on Final Passage:**

House 85 12

Senate 47 0 (Senate amended)  
 House 86 9 (House concurred)

**Effective:** July 28, 2013

**HB 1644**

C 199 L 13

Concerning transportation planning objectives and performance measures for local and regional agencies.

By Representatives Fey, Klippert, Ryu, Clibborn, Rodne, Hargrove, Moscoso and Pollet.

House Committee on Transportation  
 Senate Committee on Transportation

**Background:** There are six statewide transportation system policy goals for the planning, operation, performance of, and investment in, the state's transportation system. These policy goals are identified as follows:

- economic vitality: to promote and develop transportation systems that stimulate, support, and enhance the movement of people and goods to ensure a prosperous economy;
- preservation: to maintain, preserve, and extend the life and utility of prior investments in transportation systems and services;
- safety: to provide for and improve the safety and security of transportation customers and the transportation system;
- mobility: to improve the predictable movement of goods and people throughout Washington;
- environment: to enhance Washington's quality of life through transportation investments that promote energy conservation, enhance healthy communities, and protect the environment; and
- stewardship: to continuously improve the quality, effectiveness, and efficiency of the transportation system.

The Office of Financial Management (OFM) is required to establish objectives and performance measures for all state transportation agencies in order to assure that transportation system performance attains the six policy goals established in statute. The OFM was required to submit to the Legislature and the Washington State Transportation Commission (WSTC) a baseline report on initial objectives and performance measures for attainment of the newly established policy goals during the 2008 legislative session. Subsequent attainment reports are required to be submitted to the Legislature and the WSTC in each even-numbered year thereafter.

The entire section, both in regards to the transportation policy goals and the objectives and performance measures developed by the OFM, cannot be used as the basis for any private right of action.

The Washington State Department of Transportation is also required to perform certain duties to support attainment of the statewide transportation system policy goals. These duties include: (1) maintaining an inventory of the condition of structures and corridors, as well as a list of structures and corridors in most urgent need of retrofit or rehabilitation; (2) developing long-term financing plans that sustainably support ongoing maintenance and preservation of the transportation infrastructure; (3) balancing system safety and convenience to accommodate all users of the system to safely, reliably, and efficiently provide mobility to people and goods; (4) developing strategies to reduce vehicle miles traveled and considering efficiency tools to manage system demand; (5) promoting integrated multimodal planning; and (6) considering engineers and architects to design environmentally sustainable, context-sensitive transportation systems.

The 2011 Omnibus Transportation Budget provided funding for the Washington State Association of Counties to identify, evaluate, and implement performance measures associated with county transportation activities. These performance measures were required to include measures related to safety, system preservation, mobility, environmental protection, and project completion.

**Summary:** A local or regional agency engaging in transportation planning is allowed to establish objectives and performance measures regarding the attainment of the state transportation system policy goals or other transportation policy goals established by the local or regional agencies. Local and regional agencies engaged in transportation planning are encouraged to provide any objectives and performance measures to the OFM for inclusion in its biennial report on attainment of the state transportation system policy goals.

**Votes on Final Passage:**

House 98 0  
 Senate 47 0

**Effective:** July 28, 2013

**HB 1645**

C 217 L 13

Increasing the number of members on the Washington higher education facilities authority.

By Representatives Riccelli, Sells, Ryu and Moscoso; by request of Washington State Higher Education Facilities Authority.

House Committee on Higher Education  
 Senate Committee on Higher Education

**Background:** The Washington Higher Education Facilities Authority (Facilities Authority) was created in 1983 to allow Washington's nonprofit, independent colleges to build, improve, and outfit higher education facilities through tax-exempt financing. The Facilities Authority is-



sues tax-exempt, non-recourse revenue bonds for the independent qualified institutions of higher education in Washington. The eligible colleges within the Facilities Authority include Bastyr University, Cornish College of the Arts, Gonzaga University, Heritage University, Northwest Indian College, Pacific Lutheran University, Pacific Northwest University of Health Sciences, Seattle Pacific University, Seattle University, University of Puget Sound, Walla Walla University, Whitman College, and Whitworth University.

The Facilities Authority board consists of six members, including: the Governor; Lieutenant Governor; and four public members, one of whom must be the president of a higher education institution at the time of appointment. The public members must be residents of the state. The public members are appointed by the Governor, subject to confirmation by the Senate, and serve staggered, four-year terms. The Governor serves as the chairperson of the Facilities Authority.

**Summary:** The Chair of the Student Achievement Council is added to the Facilities Authority board, increasing the total membership from six members to seven members.

**Votes on Final Passage:**

House	96	2	
Senate	48	0	(Senate amended)
House	91	4	(House concurred)

**Effective:** July 28, 2013

**ESHB 1647**

C 35 L 13

Requiring landlords to maintain and safeguard keys to dwelling units.

By House Committee on Judiciary (originally sponsored by Representatives Tarleton, Haler, Riccelli, Maxwell, Sawyer, Scott, Bergquist, Farrell, Morrell, Jinkins, Roberts and Pollet).

House Committee on Judiciary  
Senate Committee on Financial Institutions, Housing & Insurance

**Background:** The Residential Landlord-Tenant Act (RLTA) regulates the creation of residential tenancies and the relationship between landlords and tenants of residential dwelling units. The RLTA establishes rights and duties of both tenants and landlords, procedures for the parties to enforce their rights, and remedies for violations of the RLTA.

Several provisions in the RLTA speak directly to duties related to locks and keys:

- Landlords must provide reasonably adequate locks and furnish keys to the tenant.
- Under some circumstances, if a landlord fails to carry out statutory repair duties, the tenant may contract for

the repairs. If the tenant does so, the tenant must promptly provide the landlord with a key to any new or replaced locks.

- If a tenant is a victim of sexual assault, stalking, or unlawful harassment, the tenant may change or add locks at his or her own expense. The tenant must provide the landlord with a copy of the key to the new locks, unless the tenant has a valid protection order against the owner of the premises or an employee or agent of the landlord or owner, in which case the requirement to supply a key takes effect at such time as the protective order expires or the tenant vacates the premises.
- If a tenant obtains a court order granting him or her possession of a dwelling unit to the exclusion of another cotenant, and furnishes the order to the landlord with a request for a lock change or reconfiguration at the tenant's expense, the landlord must comply with the request and is prohibited from providing copies of the new key to the cotenant restrained or excluded.

**Summary:** Landlords are required to maintain and safeguard with reasonable care any master key or duplicate keys to the dwelling unit.

**Votes on Final Passage:**

House	98	0
Senate	42	5

**Effective:** July 28, 2013

**ESHB 1652**

FULL VETO

Establishing a process for the payment of impact fees through provisions stipulated in recorded covenants.

By House Committee on Local Government (originally sponsored by Representatives Liias, Dahlquist, Takko, Kretz, Clibborn, Condotta, Upthegrove, Springer, Buys and Ryu).

House Committee on Local Government  
Senate Committee on Governmental Operations

**Background:** Growth Management Act and Concurrence. The Growth Management Act (GMA) is the comprehensive land use planning framework for counties and cities in Washington. Originally enacted in 1990 and 1991, the GMA establishes land use designation and environmental protection requirements for all Washington counties and cities, and a significantly wider array of planning duties for the 29 counties and the cities within that are obligated to satisfy all planning requirements of the GMA.

The GMA directs counties and cities that fully plan under the GMA (planning jurisdictions) to adopt internally consistent comprehensive land use plans that are general-

ized, coordinated land use policy statements of the governing body. Comprehensive plans must address specified planning elements, including land use and transportation, each of which is a subset of a comprehensive plan. The implementation of comprehensive plans occurs through locally adopted development regulations mandated by the GMA.

The transportation element of a comprehensive plan must include sub-elements that address transportation mandates for forecasting, finance, coordination, and facilities and services needs. A provision of the sub-element for facilities and services needs requires planning jurisdictions to adopt level of service (LOS) standards for all locally owned arterials and transit routes.

Planning jurisdictions must adopt and enforce ordinances prohibiting development approval if the proposed development will cause the LOS on a locally owned transportation facility to decline below standards adopted in the transportation element. Exemptions to this "concurrency" prohibition may be made if improvements or strategies to accommodate development impacts are made concurrent with the development. These strategies may include:

- increased public transportation service;
- ride-sharing programs;
- demand management; and
- other transportation systems management strategies.

"Concurrent with the development" means improvements or strategies that are in place at the time of development, or that a financial commitment is in place to complete the improvements or strategies within six years.

Transportation elements may also include, in addition to improvements or strategies to accommodate the impacts of development authorized under the GMA, multimodal transportation improvements or strategies that are made concurrent with the development.

**Impact Fees.** Planning jurisdictions may impose impact fees on development activity as part of the financing of public facilities needed to serve new growth and development. This financing must provide a balance between impact fees and other sources of public funds and cannot rely solely on impact fees. Additionally, impact fees:

- may only be imposed for system improvements, a term defined in statute, that are reasonably related to the new development;
- may not exceed a proportionate share of the costs of system improvements; and
- must be used for system improvements that will reasonably benefit the new development.

Impact fees may be collected and spent only for qualifying public facilities that are included within a capital facilities plan element of a comprehensive plan. "Public facilities," within the context of impact fee statutes, are the following capital facilities that are owned or operated by government entities:

- public streets and roads;

- publicly owned parks, open space, and recreation facilities;
- school facilities; and
- fire protection facilities.

County and city ordinances by which impact fees are imposed must conform with specific requirements. Among other obligations, these ordinances:

- must include a schedule of impact fees for each type of development activity for which a fee is imposed;
- may provide an exemption for low-income housing and other development activities with broad public purposes; and
- must allow the imposing jurisdiction to adjust the standard impact fee for unusual circumstances in specific cases to ensure that fees are imposed fairly.

**Covenants.** Covenants are formal agreements or promises between individuals. Covenants may be used to ensure the execution or prevention of an action. A covenant for title is a covenant that binds the person conveying the property to ensure the completeness, security, and continuance of the title transferred.

**Land Divisions.** The process by which land divisions may occur is governed by state and local requirements. Local governments, the entities charged with receiving and determining land division proposals, must adopt associated ordinances and procedures in conformity with state requirements.

Numerous statutorily defined terms are applicable in land use division actions. Examples include the following:

- "Subdivision" generally means the division or redivision of land into five or more lots, tracts, parcels, sites, or divisions for the purpose of sale, lease, or transfer of ownership.
- "Preliminary plat" is a neat and approximate drawing of a proposed subdivision showing the general layout of streets and alleys, lots, blocks, and other elements of a subdivision.
- "Short subdivision" generally means the division or redivision of land into four or fewer lots, tracts, parcels, sites, or divisions for the purpose of sale, lease, or transfer of ownership. The legislative authority of any planning jurisdiction may, with some limitations, increase the number of lots, tracts, or parcels to be regulated as short subdivisions to nine.
- "Short plat" is the map or representation of a short subdivision.
- "Final plat" is the final drawing of the subdivision and dedication prepared for a filing for record with the county auditor. A final plat must contain elements and requirements mandated by statute and applicable local government regulations.

**Summary:** Impact Fee Payment Deferral Processes. Counties, cities, and towns that collect impact fees must

adopt a system for the collection of impact fees from applicants for residential building permits issued for a lot or unit created by a subdivision, short subdivision, site development permit, binding site plan, or condominium that includes one or more of the following:

- a process by which an applicant for any development permit that requires payment of an impact fee must record a covenant against title to the lot or unit subject to the impact fee obligation. Covenants recorded though this process must satisfy delineated requirements, including requiring payment of all impact fees applicable to the lot or unit at the rates in effect at the time the building permit was issued, less a credit for paid deposits; or
- a process by which an applicant may apply for a deferral of the impact fee payment until final inspection or certificate of occupancy, or equivalent certification.

As an alternative to these impact fee deferral processes, counties, cities, and towns may adopt local deferral systems that differ from the covenant and final inspection or certificate of occupancy processes if the payment timing provisions are consistent with those processes. Additionally, a county, city, or town with an impact fee deferral process on or before December 1, 2013, is exempted from the obligation to establish an impact fee deferral system if the locally adopted deferral process, which may be amended in accordance with specified requirements, delays all fees and remains in effect after December 1, 2013.

Growth Management Act – Delayed Start of Concurrency Time Frame. If the collection of impact fees is delayed through a deferral covenant process, a final inspection or certificate of occupancy deferral process, or an authorized alternative local government deferral system, the six-year time frame for completing improvements or strategies for complying with concurrency provisions of the GMA may not begin until after the county or city receives full payment of all impact fees due.

**Votes on Final Passage:**

House	73	24	
Senate	34	14	(Senate amended)
House	83	11	(House concurred)

**Effective:**

**VETO MESSAGE ON ESHB 1652**

May 21, 2013

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

I am returning herewith, without my approval, Engrossed Substitute House Bill 1652 entitled:

"AN ACT Relating to establishing a process for the payment of impact fees through provisions stipulated in recorded covenants."

This bill requires local governments that collect impact fees from applicants for residential building permits, pursuant to the

Growth Management Act, to adopt a system that defers the payment of the fees.

The deferral of impact fees under the bill would delay funding for schools when the state's paramount duty is to fund education. Many schools require impact fee revenues early in the calendar year to secure portable classrooms needed by the start of the new school year to ensure that students have appropriate classroom sizes and a healthy learning environment. Delayed payment of the fees can also adversely affect local transportation and fire protection services and other amenities needed to support growth.

I recognize that our construction industry has not fully recovered from the recession. While the number of new building projects is up, many builders have not returned to work, especially smaller builders who are unable to secure financing. I would support a bill that is targeted to provide assistance to small builders. Because the majority of construction is done by larger builders, a more targeted bill would minimize the effect on schools, cities and others that depend on impact fees. I am prepared to work with the Legislature to pass a new bill during the current Special Session that defers impact fees for small builders.

For these reasons I have vetoed Engrossed Substitute House Bill 1652 in its entirety.

Respectfully submitted,



Jay Insole  
Governor

**EHB 1677**

C 185 L 13

Concerning operators of multiple adult family homes.

By Representatives Klippert, Morrell, Hope, Cody, Nealey, Walsh, Fagan and Ryu.

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

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

The Department of Social and Health Services (Department) licenses adult family homes. The Department's licensing functions include processing applications for new providers, performing inspections, conducting complaint investigations, and administering enforcement actions if resolution is not met.

Adult family home operators who wish to operate a second adult family home must wait at least 24 months from the issuance of the first license and not have had a Department enforcement action against that adult family home in the 24 months prior to application. For subsequent applications, an adult family home operator must wait at least 12 months from the issuance of the previous adult family home license and not have had a Department enforcement action against any of their homes during the 12 months prior to application.

**Summary:** The requirement that an applicant for a license to operate more than two adult family homes wait at least 12 months from the issuance of the previous license does not apply if the application is due to a change in ownership of existing adult family homes that are currently licensed. The exception applies as long as there has not been a Department of Social and Health Services enforcement action against the applicant's currently licensed adult family homes during the 12 months prior to application.

**Votes on Final Passage:**

House	97	0
Senate	46	1

**Effective:** July 28, 2013

**ESHB 1679**

C 200 L 13

Regarding the disclosure of health care information.

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

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

**Background:** The Health Insurance Portability and Accountability Act of 1996 (HIPAA) establishes nationwide standards for the use, disclosure, storage, and transfer of protected health information. Entities covered by HIPAA must have a patient's authorization to use or disclose health care information unless there is a specified exception. Some exceptions pertain to disclosures for treatment, payment, and health care operations; public health activities; judicial proceedings; law enforcement purposes; and research purposes. The HIPAA allows a state to establish standards that are more stringent than its provisions.

In Washington, the Uniform Health Care Information Act (UHCIA) governs the disclosure of health care information by health care providers and their agents or employees. The UHCIA provides that a health care provider may not disclose health care information about a patient unless there is a statutory exception or a written authorization by the patient. Some exceptions include disclosures for the provision of health care; quality improvement, legal, actuarial, and administrative services; research purposes; directory information; public health and law enforcement activities as required by law; and judicial proceedings.

Washington has heightened protections for information related to mental health, human immunodeficiency virus (HIV), and sexually transmitted disease (STD). For mental health information, the fact of admission and all information and records compiled in the course of providing services to patients at public or private mental health agencies is confidential. With respect to HIV and STD information, it is prohibited to disclose the identity of a person

who has considered or requested a test for an STD; the identity of the subject of an HIV antibody test or test for any other STD; the results of those tests; and information regarding the diagnosis of or treatment for HIV infection and for any other confirmed STD. Both the protections related to mental health, HIV, and STD information have several exceptions to allow the disclosure of the information without the patient's authorization or consent.

**Summary:** The term "information and records related to mental health services" (mental health information) is codified under the UHCIA with predominantly the same meaning as related terms in the mental health statutes. For mental health information maintained by a hospital or health care provider that participates with a hospital in an organized health care arrangement, the term is specifically limited to that information regarding services provided by a mental health professional or hospital-operated community mental health program. The term "information and records related to sexually transmitted diseases" (STD information) is defined, similar to the standard in the STD statute, as health care information related to the identity of a person who is the subject of an HIV or other STD test, any results of such tests, and any information regarding the diagnosis or treatment of an STD. Both definitions expressly state that they are a type of "health care information."

Statutory provisions related to the disclosure of mental health information, including children's mental health information, and STD information are consolidated into the UHCIA. The heightened standards of privacy for those types of information are maintained.

Health care providers and their employees and contractors are prohibited from using or disclosing health care information for marketing or fundraising purposes, unless it is permitted by federal law, or selling health care information to a third party, unless the information is either in a de-identified and aggregated form or for specified purposes.

Entities that receive health care information for health care education or to provide services to a health care provider, such as planning, quality assurance, legal, or financial activities, are subject to the same disclosure requirements as the health care provider for which the entity is working. If a health care provider learns that an entity has violated this responsibility, the health care provider must terminate the contract with the entity unless reasonable steps to correct the situation were taken or the violating activity has been discontinued.

*General Mental Health Information.* Patient mental health information disclosure standards are maintained as they have been in the mental health chapters, except in some cases in which a standard for disclosure without authorization is changed or a new type of disclosure without authorization is established. These include:

- Mental health information may be disclosed to a person who is providing health care to the patient, as provided under the UHCIA.
- The permitted disclosure of mental health records for management or financial audits is changed to the UHCIA standard that allows disclosure to a person for health care education; planning; quality assurance; peer review; administrative, legal, financial, or actuarial purposes; or for assisting a health care provider or facility in the delivery of health care.
- The permitted disclosure of (1) mental health information for evaluation or research subject to the Department of Social and Health Services (DSHS) adopting related rules and the researcher signing an oath of confidentiality; and (2) mental health records for purposes of research are both changed to the UHCIA standard allowing disclosures for use in a research project approved by an institutional review board.
- Mental health information may be disclosed to an official of a penal or other custodial institution in which the patient is detained.
- The permitted disclosure of (1) mental health information for a recipient of the information to make a claim for aid, insurance, or Medicaid; and (2) mental health treatment records to the DSHS, regional support network directors, or qualified staff when needed for billing and collection purposes are both changed to allow disclosures for payment, including making a claim for aid, insurance, or medical assistance.
- The permitted disclosure of mental health information to the Department of Health for determining compliance with licensing standards is expanded to the UHCIA standard that requires that the information be provided to federal, state, or local public health authorities as required by law to determine compliance with credentialing laws or to protect public health.
- Mental health information must be disclosed to county coroners and medical examiners for death investigations.
- Mental health information must be disclosed to an organ procurement organization for the purpose of determining the medical suitability of a body part.
- Mental health information must be disclosed to a person subject to the jurisdiction of the federal Food and Drug Administration as it relates to quality, safety, or effectiveness of a regulated product.

In cases in which there is not a specific exception to the privacy standard, the subject of the mental health information may allow disclosure pursuant to the written authorization requirements of the UHCIA, as opposed to the

undefined "release" and "written informed consent" requirements of the mental health statutes.

*General STD Information.* Patient STD information disclosure standards are maintained as they have been in the STD chapter, except that information and records related to STDs may be disclosed for use in a research project approved by an institutional review board. Information and records related to STDs must be disclosed to a coroner or medical examiner or an organ procurement organization regardless of the patient's authorization. Information and records related to STDs must also be disclosed to a person subject to the jurisdiction of the federal Food and Drug Administration as it relates to quality, safety, or effectiveness of a regulated product. In addition, it is clarified that the information and records related to STDs must be disclosed to federal, state, and local public health authorities as required by law, to determine compliance with regulatory laws, or to protect the public health.

In cases in which there is not a specific exception to the privacy standard, the subject of the STD information may allow disclosure pursuant to the written authorization requirements of the UHCIA, as opposed to the undefined "release" requirement of the STD statutes.

**Votes on Final Passage:**

House	87	10	
Senate	47	1	(Senate amended)
House	88	7	(House concurred)

**Effective:** May 10, 2013 (Section 5)  
July 1, 2014

**HB 1683**  
C 201 L 13

Authorizing recognition of institutions of postsecondary study in order to retain federal financial aid eligibility.

By Representatives Reykdal, Haler and Van De Wege.

House Committee on Higher Education  
Senate Committee on Higher Education

**Background:** Eligibility for Federal Financial Aid. Under Title IV Federal Student Aid of the Higher Education Act of 1965 (reauthorized in 2008) students in higher education may apply for federal financial aid, primarily Pell grants and Stafford loans. In order to participate in Title IV Federal Student Aid, postsecondary institutions are required to meet state oversight and approval requirements and report cohort loan default rates, among other requirements. In 2011 the U.S. Department of Education issued new minimum requirements for public and for-profit postsecondary institutions to be considered legally authorized by a state. Those requirements are due to be enforced by July 1, 2013.

Cosmetology Regulations. The Department of Licensing (DOL) regulates the practices of cosmetology, barbering, manicuring, and esthetics. The DOL also li-

censes the type of business within which the practice occurs including salon/shops, booth-renters, and all schools that conduct training. Individuals training for a license in cosmetology, barbering, esthetics, or manicuring may attend a school licensed by the DOL, or receive training via an apprenticeship program approved by the Washington State Apprenticeship and Training Council.

The curriculum for a school must include at least the following hours:

- 1,600 hours for a cosmetologist;
- 1,000 hours for a barber;
- 600 hours for a manicurist;
- 600 hours for an esthetician; and
- 500 hours for an instructor-training.

The curriculum for an apprenticeship program must include at least the following hours:

- 2,000 hours for a cosmetologist;
- 1,200 hours for a barber;
- 800 hours for a manicurist; and
- 800 hours for an esthetician.

**Summary:** The Legislature recognizes that federal financial aid is a major avenue for overcoming financial barriers to higher education for many students and that statutes must be adjusted to ensure certain schools are defined as institutions of postsecondary study for the purposes of maintaining eligibility for financial aid. Cosmetology schools must be recognized as institutions of postsecondary education if they meet certain conditions as follows:

1. the school only admits students who have earned a recognized high school diploma or the equivalent of a recognized high school diploma, or who are beyond the age of compulsory education in Washington; and
2. the school is licensed by name by the DOL to offer one or more training programs beyond the secondary level.

**Votes on Final Passage:**

House	90	8
Senate	48	0

**Effective:** July 28, 2013

## SHB 1686

C 39 L 13

Concerning high school equivalency certificates.

By House Committee on Higher Education (originally sponsored by Representatives Seaquist, Haler, Roberts, Zeiger, Reykdal, Springer, Pettigrew, Pollet, Dahlquist, McCoy, Maxwell, Fagan, Morrell and Ryu; by request of State Board for Community and Technical Colleges).

House Committee on Higher Education  
Senate Committee on Higher Education

**Background:** General Educational Development Test. The General Educational Development (GED) test is a high school equivalency test recognized in all 50 states, and some Canadian provinces and territories. The GED was developed in the 1940s to help military personnel and veterans earn a high school credential and enter the workforce.

The GED Testing Service (Service) is a joint venture between Pearson VUE and the American Council on Education. The Service reports that nearly 800,000 GED tests are taken each year, and, in 2010, more than 470,000 individuals were awarded their high school credential through the GED testing program.

The current GED test provided by the Service is the 2002 Series GED Test. The test is designed to cover academic areas of a high school education in five subjects, including language arts (reading), language arts (writing), mathematics, science, and social studies. This test is offered in both paper and computer formats. A new assessment will be released on January 2, 2014, to replace the 2002 Series GED Test.

General Educational Development in Washington State. The State Board for Community and Technical Colleges (SBCTC) is authorized to adopt rules governing the certificate of educational competence, subject to rules adopted by the State Board of Education. This certificate of educational competence is issued by both the SBCTC and the Office of the Superintendent of Public Instruction (OSPI) when an individual scores at or above the minimum proficiency level set by the SBCTC. This minimum proficiency level is defined as that set by the GED Testing Service. Currently, the minimum proficiency level is a standard score of at least 410 on each of the five portions on each of the five subject area tests and an average score of at least 450 on the entire test.

General Educational Development Alternatives. Wisconsin awards students a High School Equivalency Diploma (HSED). This is a combination of the GED and other tests and methods for demonstrating an individual's high school equivalent skills. Individuals may earn their HSED by taking the GED test as well as health, civic literacy, employability skills, and career awareness subject area tests. There are also four other options for earning a HSED, including taking certain postsecondary credits, obtaining a foreign high school or postsecondary diploma, or complet-

ing a competency program offered by a technical college or community based group that is approved by the Wisconsin Department of Public Instruction as a high school completion program.

California offers the California High School Proficiency Examination (CHSPE) to verify high school level skills. Those who pass the test receive a Certificate of Proficiency from the State Board of Education, which is recognized as the equivalent to a diploma. The test consists of two sections: a language arts section and a mathematics section.

**Summary:** A high school equivalency certificate is issued jointly by the SBCTC and the OSPI. This certificate indicates that the holder has attained standard scores at or above the minimum proficiency level described by the SBCTC on a high school equivalency test. The SBCTC must identify and accept a high school equivalency test that is at least as rigorous as the GED, and must include testing in reading, writing, mathematics, science, and social studies.

The terms GED, general equivalency degree, general educational development, general education development exam, general equivalency diploma, general educational development test, certificate of educational competence, official report of the equivalent acceptable scores of the general educational development test, and GED certificate, are replaced with the term high school equivalency certificate. These terms are replaced in 31 sections of law including licensure qualification requirements for ocularists, components of dropout reengagement programs, scholarship eligibility, and the definition of adult basic education, among others.

**Votes on Final Passage:**

House	98	0
Senate	48	0

**Effective:** July 28, 2013

**ESHB 1688**

C 202 L 13

Establishing a requirement and system for reporting incidents of student restraint and isolation in public schools for students who have an individualized education program or plan developed under section 504 of the rehabilitation act of 1973.

By House Committee on Education (originally sponsored by Representatives Stonier, Pike, Santos, Hayes, Orwall, Bergquist, McCoy, Scott, Ryu, Pollet, Freeman, Farrell and Parker).

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

**Background:** Parents and teachers are encouraged under state law to use methods of correction and restraint that are

not dangerous to children. The physical discipline of a child is allowed when it is reasonable and moderate and it is inflicted by a parent, teacher, or guardian for purposes of restraining or correcting the child.

The following actions are presumed unreasonable when used to correct or restrain a child:

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

School districts are required to adopt school discipline policies. School districts must collect data on the disciplinary actions taken in schools. This information must be made available to the public, upon request, redacted for personally identifiable information.

The use of student isolation is limited under state rules on special education. They specifically indicate that the use of isolation must be:

- provided for in a student's individual education program (IEP);
- in an enclosure that is ventilated, lighted, and temperature controlled from the inside or outside for purposes of human occupancy;
- in an enclosure that permits continuous visual monitoring of the student from outside the enclosure;
- in a manner that allows a responsible adult to remain in visual or auditory range of the student; and
- either in a manner that allows the student to release himself or herself from the enclosure, or in a manner that allows an adult to continuously view the student.

**Summary:** The restraint or isolation of students who have an IEP or section 504 plan and who are participating in school-sponsored instruction or activities, is subject to certain requirements.

After school staff releases a student from restraint or isolation, the school must conduct follow-up procedures to include:

- reviewing the incident with the student and the student's parent or guardian to address the student's behavior; and
- reviewing the incident with the staff member involved to discuss whether proper procedures were followed.

School employees, resource officers, or school security officers who use chemical spray, mechanical restraint, or physical force on a student must inform the administrator and file a written report to the district office. The contents of the written report are specified.

The principal must make a reasonable effort to verbally inform the parent or guardian about restraint or isolation

within 24 hours and provide written notification post-marked within five days. Schools must provide this notification in a language other than English if the school customarily provides school related information to parents in languages other than English.

Schools that are required to develop IEPs must include within the plan procedures for notification of a parent or guardian. Parents or guardians of children who have an IEP or 504 plan must be provided a copy of the district policy on the use of isolation and restraint.

The terms "isolation," "restraint," and "restraint device" are defined.

**Votes on Final Passage:**

House	98	0	
Senate	47	0	(Senate amended)
House	95	0	(House concurred)

**Effective:** July 28, 2013

**ESHB 1717**

C 243 L 13

Incentivizing up-front environmental planning, review, and infrastructure construction actions.

By House Committee on Local Government (originally sponsored by Representatives Fitzgibbon, Jinkins, Liias, Maxwell, Roberts, Pollet, Upthegrove, Morrell and Springer).

House Committee on Local Government  
Senate Committee on Governmental Operations

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

Provisions of the SEPA generally require a project applicant to complete an environmental checklist. An environmental checklist includes questions about the potential environmental impacts of the proposal. This checklist is then reviewed by the lead agency (one agency identified as such and responsible for compliance with the procedural requirements of the SEPA) to determine whether the proposal is likely to have a significant adverse environmental impact. This environmental threshold determination is documented in either a determination of nonsignificance or a determination of significance.

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

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

Growth Management Act. The Growth Management Act (GMA) is the comprehensive land use planning framework for counties and cities in Washington. The GMA establishes land use designation and environmental protection requirements for all Washington counties and cities, and a significantly wider array of planning duties for the 29 counties and the cities within that are obligated by mandate or choice to satisfy all planning requirements of the GMA.

The GMA directs planning jurisdictions (jurisdictions that fully plan under the GMA) to adopt internally consistent comprehensive land use plans that are generalized, coordinated land use policy statements of the governing body. Comprehensive plans, which are the frameworks of county and city planning actions, are implemented through locally-adopted development regulations.

Counties that fully plan under the GMA must designate urban growth areas, areas within which urban growth must be encouraged and outside of which growth can occur only if it is not urban in nature. These fully planning counties and each city within must include in their urban growth areas, areas and densities that are sufficient to permit the urban growth projected to occur in the county or city for the succeeding 20-year period.

The GMA also establishes Washington's Growth Management Planning and Environmental Review Fund (PERF). Moneys in the PERF may be used to make grants or loans to local governments for actions pertaining to: specific project review actions related to the GMA; the preparation of an EIS; or environmental analysis costs associated with the SEPA that are integrated with qualifying planning activities. Moneys in the PERF may originate from bond sales, tax revenues, budget transfers, federal appropriations, gifts, or any other lawful source.

Infill and Planned Actions. Planning jurisdictions may categorically exempt government actions otherwise subject to the requirements of the SEPA if they are related to qualifying development that is proposed to fill in an urban growth area where density and intensity of use in the area is lower than what is called for in the applicable comprehensive plan. The comprehensive plan must have been previously subjected to an environmental analysis through an EIS under the SEPA, and the categorical exemption may not exempt government actions related to develop-



ment that are inconsistent with the comprehensive plan or would exceed the allowable density or intensity of use. Additionally, a local government adopting an exemption must consider the specific probable adverse environmental impacts of the proposed action and determine that the impacts are adequately addressed by the development regulations or other applicable requirements of the comprehensive plan or other regulations or laws.

Planning jurisdictions may also adopt a planned action process in accordance with requirements prescribed in the SEPA. A planned action is a type of development or redevelopment action that meets specified criteria, including having been designated as a planned action by the applicable local government, and having had the significant impacts adequately addressed in an EIS in conjunction with or to implement specified planning provisions.

Contracts with Real Estate Owners for the Construction of Water or Sewer Facilities. The governing body of any county, city, town, water-sewer district, or drainage district (municipality) may contract with the owners of real estate for the construction of certain water or sewer facilities to connect with public water or sewer systems to serve the affected real estate. The water or sewer facilities may be within the jurisdiction of the municipality or, except for counties, the facilities may be within 10 miles of their corporate limits. The contracts may include provisions for the owners to be reimbursed for their construction costs for 20 or fewer years through a process by which the owners of real estate who did not contribute to the original cost of the water or sewer facilities, but who subsequently use the facilities or connect to the laterals or branches of the facilities, must pay a pro rata share of the costs. The 20-year time limit may be extended if government actions prevent the making of applications or the approval of new development within the area served by the water or sewer facilities for six or more months.

If authorized by ordinance or contract, a municipality may participate with the real estate owners in financing the water or sewer facilities. Unless prohibited by ordinance or contract, a municipality that contributes to the financing of a water or sewer facility project has the same rights to reimbursement as the contributing real estate owners. Municipalities that seek reimbursements through this process may not collect any additional reimbursement, assessment, charge, or fee for the constructed infrastructure or facilities.

**Summary:** Recovery of Reasonable EIS Expenses - General Authorization. Counties, cities, and towns (local governments) are authorized to recover reasonable expenses of preparation of a nonproject environmental impact statement (EIS) prepared in accordance with infill and planned action requirements in the State Environmental Policy Act (SEPA). The expense recovery may occur through the following methods:

- through access to financial assistance from Washington's Growth Management Planning and Environmental Review Fund (PERF);
- with funding from private sources; and
- through the assessment of fees consistent with specified requirements and limitations.

Fees - Authorization, Assessment, Appeals, and Refunds. Local governments may assess a fee upon subsequent development that will make use of and benefit from:

- the analysis in an EIS prepared for the planned action requirements of the SEPA; or
- the reduction in environmental analysis requirements resulting from the exercise of infill development exemption authority established in the SEPA.

The collected fees may be used to reimburse funding received from private sources to conduct the environmental review.

General fee assessment provisions are established. For example:

- the fee amount must be reasonable and proportionate to the total expenses incurred by the local government in the preparation of the EIS;
- the local government may not assess fees for general comprehensive plan amendments or updates; and
- the local government must provide for a mechanism by which project proponents may either elect to utilize the environmental review completed by the lead agency and pay the fees or certify that they do not want the local jurisdiction to utilize the environmental review completed as a part of a planned action and, therefore, not be assessed any associated fees.

Additionally, the local government, prior to the collection of fees, must enact an ordinance satisfying several specific requirements, including:

- establishing the total amount of expenses to be recovered through fees and providing objective standards for determining the fee amount to be imposed upon each development proposal;
- providing a procedure by which an applicant may pay the fees under protest; and
- making information available about the amount of the expenses designated for recovery. When these expenses have been fully recovered, the local government may no longer assess a fee.

Any disagreement about the reasonableness, proportionality, or amount of the fees imposed upon a development may not be the basis for delay in issuance of a project permit for that development.

If a court determines that an environmental review conducted under planned action or infill exemption provisions of the SEPA was insufficient to comply with requirements of the SEPA regarding the proposed development activity for which the fees were collected, the local gov-

ernment must refund the fees. Additionally, the applicant and the local government may mutually agree to a partial refund or to waive the refund in the interest of resolving any dispute regarding compliance with the SEPA.

Contracts with Real Estate Owners for the Construction or Improvement of Water or Sewer Facilities. At the owner's request, the governing body of any county, city, town, or drainage district (municipality) must contract with the owner of real estate for the construction or improvement of specific water or sewer facilities that the owner elects to install solely at his or her own expense. An owner's request may only require a contract in locations where a municipality's ordinances require the facilities to be improved or constructed as a prerequisite to further property development and in locations where the proposed improvement or construction will be consistent with the comprehensive plans and development regulations of the municipalities through which the facilities will be constructed or will serve. Additionally, the owner must submit a request for a contract to the municipality prior to approval of the water or sewer facility by the municipality.

Water or sewer facilities improved or constructed through this contractually-based process must be located within the municipality's corporate limits or within 10 miles of the municipality's corporate limits. Water or sewer facilities improved or constructed through the contractually-based process may not be located outside of the county that is a party to the contract. The contracts must be filed and recorded with the county auditor and must contain conditions required by the municipality in accordance with its adopted policies and standards.

Unless the municipality notifies the owner of its intent to request a comprehensive plan approval, the owner must request a comprehensive plan approval for the water or sewer facility, if required. Additionally, connection of the water or sewer facility to the municipal system must be conditioned upon specified requirements, including:

- construction of the water or sewer facility according to plans and specifications approved by the municipality;
- inspection and approval of the water or sewer facility by the municipality; and
- payment by the owner to the municipality of all of the municipality's costs associated with the water or sewer facility including, but not limited to, engineering, legal, and administrative costs.

Unless provided otherwise by ordinance or contract, municipalities that participate in the financing of water or sewer facilities improved through the contractually-based process are entitled to a pro rata share of the reimbursement based on the respective contribution of the owner and the municipality. Municipalities seeking reimbursements are also entitled to collect fees that are reasonable and proportionate to expenses incurred in complying with provisions governing contracts with real estate owners for

the construction or improvement of water or sewer facilities.

Contracts between municipalities and real estate owners must provide for the pro rata reimbursement to the owner or the owner's assigns for 20 or more years. The reimbursements must be:

- within the period of time that the contract is effective;
- for a portion of the costs of the water or sewer facilities improved or constructed in accordance with the contract; and
- from latecomer fees, a defined term, received by the municipality from property owners who subsequently connect to or use the water or sewer facilities, but who did not contribute to the original cost of the facilities.

Within 120 days of the completion of a water or sewer facility, the owners of the real estate must submit the total cost of the water or sewer facility to the applicable municipality. This information must be used by the municipality as the basis for determining reimbursements by future users who benefit from the water or sewer facility, but who did not contribute to the original cost of the water or sewer facility.

Provisions governing contracts with real estate owners for the construction or improvement of water or sewer facilities do not create a private right of action for damages against a municipality for failing to comply with specified requirements. A municipality, its officials, employees, or agents may not be held liable for failure to collect a latecomer fee unless the failure was willful or intentional. Failure to comply with requirements for contracts with real estate owners for the construction or improvement of water or sewer facilities does not relieve a municipality of future compliance requirements.

Excise Tax Provisions. Excise tax provisions authorizing cities, towns, counties, and other municipal governments to collect reasonable fees from an applicant for a permit or other governmental approval to cover the costs of processing applications, inspecting and reviewing plans, or preparing detailed statements required by the SEPA, are modified to expressly allow: the recovery of reasonable expenses incurred in the preparation of a nonproject EIS prepared in accordance with infill and planned action requirements in the SEPA; and, after July 1, 2014, the collection of fees by a municipality in connection with a water or sewer facility that was constructed through a contract with a real estate owner.

**Votes on Final Passage:**

House	98	0
Senate	48	0

**Effective:** July 28, 2013  
July 1, 2014 (Sections 2-3)

**2SHB 1723**  
**PARTIAL VETO**  
C 323 L 13

Concerning early learning opportunities.

By House Committee on Appropriations (originally sponsored by Representatives Kagi, Walsh, Farrell, Maxwell, Roberts, Freeman, Goodman, Sawyer, Sullivan, Jinkins, Seaquist, Lytton, Haigh, Hunter, Morrell, Sells, Ryu, Morris, McCoy, Reykdal, Tarleton, Tharinger, Pollet, Fey, Moscoso, Bergquist, Ormsby and Santos).

House Committee on Early Learning & Human Services  
House Committee on Appropriations  
Senate Committee on Early Learning & K-12 Education  
Senate Committee on Ways & Means

**Background:** In Washington, there are several early learning, child care, and parent education programs. Each program has unique objectives, eligibility requirements, processes for enrollment, hours of operation, and funding streams.

Home visiting programs provide support and education to expectant parents and new families. Home visiting programs are voluntary and offer an array of in-person services to families based on the particular objectives of the program and needs of the family. There are several home visiting programs utilized in Washington. Nurse-Family Partnership and Parents as Teachers are two examples of home visiting programs.

The Working Connections Child Care Program (WCCC) provides subsidies to child care providers serving families at or below 200 percent of the federal poverty level. The WCCC is often associated with Washington's WorkFirst program and is intended to support parents who are working, attending training, or enrolling in educational programs outside the home. Not all families receiving the WCCC benefits, however, participate in approved WorkFirst activities. For example, a parent under 22 years of age may be eligible for the WCCC benefits for high school development. Children of families receiving the WCCC benefits are required to be less than 13 years of age or less than 19 years of age and have a verified special need or be under court supervision.

The Washington State Preschool Program, or the Early Childhood Education and Assistance Program (ECEAP) is an early learning program for children ages 3 to 5 years who have not entered kindergarten. The ECEAP provides preschool education, family support, and health and nutritional services to families at or below 110 percent of the federal poverty level.

In 2007 the Legislature supported the development of the Early Achievers program, which is Washington's quality rating and improvement system. The Early Achievers program establishes a common set of expectations and standards that define, measure, and improve the quality of early learning settings. Participation in the Early Achievers program is voluntary.

**Summary:** Schools administering the Washington Kindergarten Inventory of Developing Skills (WaKIDS) may utilize up to three school days at the start of the school year to meet with parents and families. Additionally, the terms "Early Achievers, Early Start, and the Washington State Preschool Program" are defined. A provision is removed that exempts an agency in operation for 10 years prior to June 6, 1987, from licensing requirements.

A technical working group is established to examine federal and state early education funding streams and early education eligibility processes. The technical working group is charged with developing technical options for system designs that blend and braid federal and state funding streams for early learning programs.

The Department of Early Learning (DEL) is required to apply data already collected and make biennial recommendations to the Legislature regarding WCCC subsidy and state-funded preschool rates and compensation models that would attract and retain high quality early learning professionals. When additional funding is appropriated for the specific purpose of home visiting and parent and caregiver support, the DEL must reserve at least 80 percent of funding to be deposited into the home visiting services account and up to 20 percent may be used for other parent or caregiver support services. Home visiting services must include programs that serve families involved in the child welfare system.

The Legislature is required to fund the expansion of the Washington State Preschool Program in fiscal year 2014, if funds are appropriated for this specific purpose. By fiscal year 2015, all Washington State Preschool Programs receiving state funding must enroll in the Early Achievers program. Before final implementation of the Early Achievers program, the DEL must report to the Legislature on progress of the program as defined in the Race to the Top federal grant and expenditures. When reviewing applicants for state funding for the Washington State Preschool Program, the DEL must consider local community needs, demonstrated capacity, and the need to support a mixed delivery system of early learning that includes alternative models for delivery including licensed centers and licensed family child care providers.

Subject to the availability of funds appropriated for this specific purpose, beginning in September 1, 2013, the DEL is required to increase the base rate for all child care providers by 10 percent and provide Working Connections Child Care providers a 5 percent subsidy rate increase for enrolling in Early Achievers level 2. Any provider receiving tiered subsidy rate enhancements must complete level 2 within 30 months or the subsidy rate will return to the level 1 rate of Early Achievers. In order to maintain the subsidy rate increase, providers must also actively participate in the Early Achievers program and continue to advance towards level 5 of the program. Finally, exempt providers are required to participate in continuing education, if adequate funding is available.

**Votes on Final Passage:**

House	59	38	
Senate	46	2	(Senate amended)
House			(House refused to concur)
Senate	44	3	(Senate amended)
House	63	35	(House concurred)

**Effective:** July 28, 2013

**Partial Veto Summary:** The section that created a technical working group to examine federal and state early learning funding sources is vetoed.

**VETO MESSAGE ON 2SHB 1723**

May 21, 2013

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

Ladies and Gentlemen:

I am returning, herewith, without my approval as to Section 4, Second Substitute House Bill 1723 entitled:

"AN ACT Relating to expanding and streamlining early learning services and programs"

Section 4 creates a technical working group to review child care and preschool funding sources, eligibility requirements, and system design. A related task force is established in Second Substitute Senate Bill 5595, which involves broader stakeholder participation and a larger scope of the analysis. I am therefore vetoing this section to avoid duplicating efforts that will likely achieve similar results.

I will direct both the Department of Early Learning and Department of Social and Health Services to collaborate with the appropriate legislative committees in developing options to further integrate child care services toward a system that is coordinated, complementary, and user-friendly to parents.

With the exception of Section 4, Second Substitute House Bill 1723 is approved.

Respectfully submitted,



Jay Inslee  
Governor

**HB 1736**  
C 218 L 13

Concerning higher education operating efficiencies.

By Representatives Zeiger, Seaquist, Haler, Pollet, Ryu, Sawyer, Bergquist, Magendanz and Farrell.

House Committee on Higher Education  
Senate Committee on Higher Education

**Background: Reporting Requirements.** Similar to other state agencies, institutions of higher education are required to submit a variety of reports to the Governor, the Legislature, the Office of Financial Management, or other state agencies to demonstrate compliance with certain state laws or rules, or report progress toward certain state goals.

**Electronic Signatures.** State agencies may use electronic signatures for certain operations. For example, legislation enacted in 2009 authorized the Department of

Social and Health Services and the Health Care Authority to accept electronic signatures for all programs the agencies administer.

**Authorization of Degree-Granting Institutions.** The Washington Student Achievement Council (Council) is responsible for authorizing degree-granting institutions to operate in the state. This mainly applies to out-of-state institutions that wish to advertise their programs in Washington to recruit students, operate a physical teaching site in Washington, or include an internship, an externship, clinical training, or a practical component that must take place in Washington. The following higher education institutions do not fall under the Council's authorization requirements: the state's public colleges and universities, longstanding private institutions, and higher education institutions whose degree programs are wholly religious in nature.

**Student Participation in Higher Education Governance.** State law permits student participation in higher education governance. For example, governing boards of public baccalaureate institutions must consult with student associations regarding the impacts of potential tuition increases before changing tuition rates.

Students may also serve as governing members of higher education institutions. One member of the board of regents or trustees at public baccalaureate institutions is a student. Boards of trustees for each community college and technical college district may establish a sixth trustee filled by a student.

**Summary: Reporting Requirements.** The Office of Financial Management (OFM) is directed to work with institutions of higher education, the Department of Enterprise Services, the Department of Commerce, and the Department of Transportation to review the reporting requirements of institutions of higher education with the purpose of enhancing the efficiency and effectiveness of their operations. Reporting requirements specified relate to the following:

- state energy code building standards;
- high performance public buildings;
- motor vehicle transportation services;
- the Washington State Patrol retirement fund;
- air contaminants; and
- greenhouse gas emissions.

By December 1, 2014, the OFM must report to the Governor and the higher education committees of the Legislature with recommendations for coordinating and streamlining reporting and promoting the most efficient use of state resources at institutions of higher education.

**Electronic Signatures.** Public institutions of higher education and state higher education agencies may use or accept electronic signatures for any human resource, benefits, or payroll processes that require a signature. For these purposes "electronic signature" is defined as an electronic sound, symbol, or process, attached to, or logically associated with, a contract or other record and executed or

adopted by a person with the intent to sign the record. "Secure electronic signature" is defines as an electronic signature that:

- is unique to the person making the signature;
- uses a technology or process to make the signature that is under the sole control of the person making the signature;
- uses a technology or process that can identify the person using the technology or process; and
- can be linked with an electronic record in such a way that has been changed since the electronic signature was incorporated in, attached to, or associated with the electronic record.

Authorization of Degree-Granting Institutions. The Washington Student Achievement Council (Council) is authorized to negotiate and enter into interstate reciprocity agreements with other state or multistate entities regarding the operations of degree-granting institutions in the state. The Council may enter into agreements with degree-granting institutions based in Washington that are otherwise exempt from adhering to the minimum standards for degree-granting institutions set by the Council, for the purposes of ensuring consistent consumer protection in interstate distance delivery of higher education.

Student Participation in Higher Education Governance. A recognized student government organization at each public baccalaureate institution may form one student advisory committee with the purpose of advising and assisting the administration on issues that directly affect students' ability to access and succeed in educational programs. Issues that the advisory committee may consider include tuition and fee levels among others.

The administration of the higher education institution is required to make available all non-confidential information requested by the advisory committee and provide the committee an opportunity to present recommendations before final decisions are made. The advisory committee is required to make reasonable efforts to solicit feedback from students and keep student informed of deliberations and actions of the advisory committee.

**Votes on Final Passage:**

House	98	0	
Senate	47	0	(Senate amended)
House	92	3	(House concurred)

**Effective:** July 28, 2013

Concerning supervision of physician assistants.

By House Committee on Health Care & Wellness (originally sponsored by Representatives Morrell, Manweller, Clibborn and Moeller).

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

**Background:** The Board of Osteopathic Medicine and Surgery (BOMS) regulates the practice of osteopathic medicine by osteopathic physicians and physician assistants. An osteopathic physician assistant (OPA) is a person who has satisfactorily completed a BOMS-approved training program designed to prepare him or her to practice osteopathic medicine to a limited extent. An OPA may not practice osteopathic medicine until a practice arrangement plan is approved. A practice arrangement plan delineates the manner and extent to which the OPA will practice and be supervised, and must jointly be submitted by the osteopathic physician or physician group and the OPA. An OPA also may not be employed or supervised by an osteopathic physician without approval of the BOMS. An OPA is permitted to practice medicine only to the extent permitted by the BOMS and in a manner consistent with the approved practice arrangement plan.

The Medical Quality Assurance Commission (MQAC) regulates the quality of healthcare provided by physicians and physician assistants. A physician assistant (PA) is a person who is licensed by the MQAC to practice medicine to a limited extent and who is academically and clinically prepared to provide health care services and perform diagnostic, therapeutic, preventative, and health maintenance services. A PA practices medicine under the supervision of a physician, but a PA cannot be employed or supervised by a physician or physician group without the approval of the MQAC. Prior to practicing, a PA has to apply to the MQAC for permission to be employed or supervised by a physician or physician group. A practice arrangement plan must be jointly submitted by the physician or physician group and the PA. A PA is permitted to practice medicine only to the extent permitted by the MQAC and in a manner consistent with the approved practice arrangement plan.

Rules adopted by the BOMS provide that an osteopathic physician may supervise three OPAs, and the BOMS may consider requests to supervise more than three OPAs, based on the individual's qualification and experience among other factors. Similarly, MQAC rules prohibit a physician from serving as primary supervisor or sponsor for more than three PAs without authorization by the MQAC. The rules also provide that OPAs and PAs may be used at remote practice sites if approved by the relevant governing authority based upon need; adequate means for immediate communication between the osteopathic physician or physician and the OPA or PA; supervision; and the

names of the supervising osteopathic physician or physician and OPA or PA being prominently displayed at the entrance of the site or reception area.

**Summary:** The OPAs and PAs may not be used at a remote site without the approval of their respective regulating bodies. A "remote site" is defined as a setting physically separate from the sponsoring or supervising physician's primary place for meeting patients or a setting where the physician is present less than 25 percent of the practice time of the OPA or the PA. Approval may be granted for the use of an OPA or a PA at a remote site if there is a demonstrated need; there is adequate ability to timely communicate between the physician and the OPA or the PA; the responsible sponsoring or supervising physician spends at least 10 percent of the practice time of the OPA or the PA in the remote site, unless the sponsoring physician can demonstrate that adequate supervision is being maintained by an alternate method; and the names of the sponsoring or supervising physician and the OPA or the PA are prominently displayed at the entrance to the remote site. No OPA or PA with an interim permit may be utilized at a remote site.

An osteopathic physician or a physician may enter into a delegation agreement with up to five PAs, but no more than three of the PAs may work at a remote site. An osteopathic physician or a physician may petition their respective regulating bodies for a waiver of the five PA limit, however an osteopathic physician or physician may not supervise more physician assistants than he or she can adequately supervise.

The MQAC and the BOMS must work in collaboration with a statewide organization that represents the interests of PAs to modernize the current rules regulating PAs and report to the Legislature by December 31, 2014.

The practice arrangement plan required for approval before an assistant can practice is renamed delegation agreement.

**Votes on Final Passage:**

House	97	0	
Senate	48	0	(Senate amended)
House	95	0	(House concurred)

**Effective:** July 28, 2013

**HB 1738**

C 132 L 13

Authorizing political subdivisions to purchase certain technology and services from the United States government.

By Representatives Hayes, Sells, Seaquist, Dunshee and Ryu.

House Committee on Local Government  
Senate Committee on Governmental Operations

**Background:** Generally, all state agency purchases of or contracts for goods (*i.e.*, products, materials, supplies, or equipment provided by a contractor) must be based on a competitive solicitation process. Competitive solicitation is a documented formal process providing an equal and open opportunity to bidders and culminating in a selection based on predetermined criteria. Intergovernmental agreements awarded to any governmental entity, whether federal, state, or local and any department, division, or subdivision of that entity, are exempt from competitive solicitation.

Notwithstanding the general requirement of competitive solicitation, political subdivisions of the state may purchase supplies, materials, or equipment from the federal government without calling for bids. The political subdivision must be authorized by ordinance or resolution of its legislative body to do so.

Municipalities, including cities, counties, towns, and various special purpose districts and public agencies, are authorized by statute to acquire electronic data processing or telecommunication equipment, software, or services through competitive negotiation rather than through competitive bidding. Competitive negotiation involves: (1) submitting a request for proposals to qualified sources and publishing it in a newspaper of general circulation; (2) evaluating the proposals received; and (3) selecting a qualified bidder whose proposal is most advantageous to the municipality.

**Summary:** In addition to purchases of supplies, materials, and equipment, any political subdivision of the state may purchase electronic data processing and telecommunication equipment, software, and services from the federal government without calling for bids. However, the political subdivision must be authorized by ordinance or resolution of its legislative body to make such purchases.

**Votes on Final Passage:**

House	95	2
Senate	45	2

**Effective:** July 28, 2013

**SHB 1752**

C 224 L 13

Modifying requirements for the operation of commercial motor vehicles in compliance with federal regulations.

By House Committee on Transportation (originally sponsored by Representatives Orcutt, Clibborn and Ryu; by request of Department of Licensing).

House Committee on Transportation  
Senate Committee on Transportation

**Background:** A person must have a commercial driver's license (CDL) in order to legally drive a commercial vehicle in Washington. Several types of vehicles are characterized as "commercial vehicles" under Washington law.

Any single vehicle with a gross vehicle weight rating (GVWR) of 26,001 pounds or more is a commercial vehicle. This designation also covers any combination of vehicles if the vehicle being driven has a GVWR of 26,001 pounds or more, or the towed vehicle has a GVWR of 10,001 pounds when the combined GVWR equals 26,001 pounds or more. Vehicles that are designed to carry 16 or more passengers are considered "commercial vehicles," as are school buses. Certain vehicles that carry hazardous materials are also considered "commercial vehicles."

To obtain a CDL, a person must apply to the Department of Licensing (DOL) and pay the application fee. The DOL will not issue a CDL unless the applicant: (1) a resident of the state; (2) has successfully completed an approved commercial-driver instruction course; (3) has passed a knowledge and skills test that complies with state and federal requirements; and (4) has fulfilled the requirements of the federal Commercial Motor Vehicle Safety Act, together with any other state laws or other federal regulations. A medical examiner must certify that a person is physically qualified to drive a commercial vehicle. The DOL may also issue an instruction permit, which expires after six months, to a person who has passed the general knowledge examination. A holder of an instruction permit may drive a commercial vehicle if accompanied by a licensed commercial driver.

Commercial driver's licenses are issued with classifications, endorsements, and restrictions. The classification of a license depends upon the GVWR of the vehicle to be driven. A driver may be endorsed to: (1) operate a vehicle carrying hazardous materials; (2) drive double or triple trailers; (3) carry passengers; (4) drive tank vehicles; and (5) operate a school bus. A driver may be restricted from operating a vehicle with air brakes. A license may contain a medical variance that has been issued to the driver.

A CDL expires the same as any other driver's license, in general, on the sixth anniversary of the licensee's birthday following the issuance of the license. In order to renew a license, the licensee must provide the same information and make the same certifications as a first-time applicant. A person may be disqualified from driving a commercial motor vehicle as a result of a conviction for, among other things, driving under the influence of alcohol or any drug. A person may also be disqualified for receiving a verified positive drug test or alcohol confirmation as part of a workplace testing process.

The federal government also regulates commercial drivers under the Federal Motor Carriers Safety Administration. These regulations include driver's license standards and driver qualifications. States must comply with certain federal requirements, and the Secretary of Transportation (Secretary) withholds a portion of federal funding from noncomplying states. In the first year of noncompliance, the Secretary withholds up to 4 percent of certain funds. For subsequent years, the withholding increases to 8 percent. In addition, if a state fails to comply,

the Secretary issues an order prohibiting that state from issuing any CDLs until the state complies with federal law.

**Summary: Background Checks.** The DOL must investigate the conviction records of employees who conduct knowledge and skills examinations, or who will conduct such examinations. The DOL must do such checks annually.

**Definitions.** The definition of a "commercial vehicle" includes those vehicles that have a gross vehicle weight of 26,001 pounds or more, alone or in combination with towed units. Additionally, the definition of a "serious traffic violation," which carries a mandatory license disqualification period of 60 days, is expanded to include driving while using a hand-held mobile telephone and texting while driving. Finally, the definition of a "tank vehicle" covers only those vehicles carrying a tank or tanks with an aggregate capacity greater than 1,000 gallons, unless that tank is empty and temporarily attached to a flatbed trailer.

**Commercial Learner's Permit.** A new applicant must obtain a commercial learner's permit (CLP) prior to obtaining a CDL; however, a CLP holder may not take the CDL examination within 14 days of receiving his or her CLP. Such a permit may include endorsements and restrictions. A permit applicant must take an endorsement knowledge exam and is prevented from operating the vehicle under certain circumstances. An operator with either a "P" or "S" permit endorsement may not operate a vehicle with passengers other than an examiner or trainee, and an operator with an "N" permit endorsement may operate only vehicles with empty tanks. Any fees collected for CLP applications or examinations must be deposited in the Highway Safety Fund. A CLP holder is subject to the same disqualification provisions as a CDL holder.

**CLP Application.** An applicant for a CLP must meet certain federal requirements. First, the applicant must certify that: (1) he or she is not subject to any disqualification; (2) the motor vehicle in which the person takes the driving skills test is representative of the type of motor vehicle he or she expects to operate; and (3) he or she does not have a driver's license from more than one state. Additionally, the person must identify the type of vehicle he or she expects to operate, and provide his or her social security number, proof of citizenship, and proof that the state to which the application is made is his or her state of domicile. The CDL holders seeking to renew their license must also meet the same requirements.

**Classes, Endorsements, and Restrictions.** New terminology is used to refer to each class: Class A is known as a "combination vehicle;" Class B is a "heavy straight vehicle;" and Class C is a "small vehicle." The new "P" endorsement allows a driver to operate any vehicle with passengers, except a school bus. Valid restrictions include being restricted from operating: (1) a motor vehicle equipped with a manual transmission; (2) a commercial motor vehicle in interstate travel; (3) a class A passenger

vehicle; (4) both class A and class B passenger vehicles; and (5) a tractor-trailer motor vehicle.

**Traffic Infractions.** A person is guilty of a traffic infraction, which may become part of the driver's record, if he or she uses a mobile telephone, including sending, reading, or writing a text message, while driving a commercial vehicle. It is not an infraction, however, if the vehicle is parked to the side of, or off of, a highway and has stopped in a location where it can safely remain stationary, if such use was necessary to communicate with emergency services personnel, or if the telephone is used in a hands-free mode. The use of two-way or citizens band radio services is not restricted.

**Votes on Final Passage:**

House	96	0
Senate	48	0

**Effective:** July 28, 2013 (Sections 2, 15, 16, and 17)  
July 8, 2014

## 2SHB 1764

C 204 L 13

Concerning geoduck diver licenses.

By House Committee on Appropriations (originally sponsored by Representatives Chandler, Stanford, Blake, Appleton and Dunshee).

House Committee on Agriculture & Natural Resources  
House Committee on Appropriations  
Senate Committee on Natural Resources & Parks  
Senate Committee on Ways & Means

**Background:** The Washington Department of Fish and Wildlife (WDFW) is responsible for the issuance of geoduck diver licenses and geoduck fishery licenses, a combination of which are required for participants in a commercial geoduck fishery. In order to be granted a Geoduck Fishery License, the purchaser must first enter into a valid geoduck harvest agreement with the Department of Natural Resources (DNR).

A diver engaged in the commercial harvest of geoducks must have a geoduck diver license, which is non-transferable. The annual license fee is \$185 for residents and \$295 for nonresidents.

A holder of a geoduck fishery license does not necessarily have to obtain a geoduck divers license. The geoduck fishery license holder can arrange for geoduck divers to harvest the product allowed by the license. Likewise, the holder of a geoduck diver license is not required to obtain a geoduck fishery license if he or she is operating under the geoduck fishery license of another.

**Summary: Geoduck Diver License.** A diver engaged in the commercial harvest of geoducks may only own one geoduck diver license, and must perform all geoduck harvesting personally. This licensing requirement does not

apply to divers engaged in private sector cultured aquatic products cultivation.

Beginning January 1, 2015, the Washington Department of Fish and Wildlife (WDFW) may not issue more than 77 geoduck diver licenses in any year. The WDFW will allow people who held licenses in 2011, 2012, 2013, and 2014, and who were listed on a Department of Natural Resources' (DNR) geoduck harvest agreement plan of operation during the same period, the right of first refusal to purchase a geoduck diver license in 2015. The qualifying license holders will have to inform the WDFW of their intent to acquire a license.

A geoduck diver license expires on December 31 each year. Prior to the license's expiration, the license holder may apply to renew the license if he or she was included on a DNR geoduck harvest agreement plan of operation during the current year. Beginning on January 1, 2015, anyone applying for or renewing a geoduck diver license will be required to complete a safety program.

The WDFW must revoke a geoduck diver license if the license holder violated a DNR geoduck harvest agreement plan of operation two or more times. The person surrendering the geoduck diver license may not hold another license for one calendar year from the date the license was revoked.

The WDFW may adopt rules necessary for the implementation of the Geoduck Diver License program.

**Geoduck Safety Advisory Committee.** The DNR must establish a Geoduck Harvest Safety Committee (Committee) with one representative appointed by the Commissioner of Public Lands from each of the following: the DNR, the DNR's Geoduck Diver Advisory Committee, an organization that represents the interests of geoduck harvesters, and an organization that represents the interests of geoduck divers. The Committee must meet at least quarterly and submit a safety program recommendation to the DNR for geoduck license holders by December 1, 2013.

The DNR must adopt by rule a geoduck diver safety program based on the recommendation of the Committee by December 1, 2014. Once the safety program is established, the Committee is responsible for the continued review and evaluation of the safety program's success and effectiveness. The Committee must recommend to the DNR appropriate changes to improve the geoduck diver safety program. The DNR may adopt, amend, or repeal rules as needed to improve the safety program, but must take into consideration the recommendations provided by the Committee. Beginning January 1, 2015, in order to be maintained on a DNR harvest agreement plan of operation, a geoduck diver is required to complete the safety program annually.

**Civil Liability.** A civil suit or action may not be brought against the DNR for any actions relating to the



## HB 1768

adoption or enforcement of the geoduck diver safety program or safety requirements adopted by the DNR.

### Votes on Final Passage:

House	95	0	
Senate	45	2	(Senate amended)
House	93	4	(House concurred)

**Effective:** July 28, 2013

## HB 1768

C 186 L 13

Authorizing use of the job order contracting procedure by the department of transportation.

By Representatives Moscoso, Lias, Ryu, Moeller, Johnson, Kochmar and McCoy; by request of Department of Transportation.

House Committee on Transportation  
Senate Committee on Transportation

**Background:** In 2003 job order contracting was authorized as an alternative public works contracting procedure. Under a job order contract, a contractor agrees to perform an indefinite quantity of public works jobs, defined by individual work orders, over a fixed period of time. A public entity may not have more than two job order contracts in effect at any one time, except for the Department of Enterprise Services (DES), which may have four contracts in effect at one time. The maximum total dollar amount awarded under a job order contract may not exceed \$4 million per year for a maximum of three years. Individual work orders are limited to no more than \$350,000.

Job order contracts may be executed for an initial contract term of two years, with an option to extend or renew the contract for an additional year provided that any extension or renewal is priced as provided in the original proposal and is mutually agreed upon by the public body and the job order contractor. A job order contractor is required to subcontract 90 percent of the work under the contract and may self-perform 10 percent. With some restrictions, the use of alternative public works contracting procedures are authorized to a limited number of public entities:

- the DES;
- state universities, regional universities, and The Evergreen State College;
- Sound Transit;
- cities with a population greater than 70,000 and any public authority chartered by such city;
- counties with a population greater than 450,000;
- port districts with total revenues greater than \$15 million per year;
- public utility districts with revenues from energy sales greater than \$23 million per year;
- school districts; and
- the state ferry system.

In 2005 the Capital Projects Advisory Review Board (Board) was established to monitor and evaluate the use of traditional and alternative public works contracting procedures and to evaluate potential future use of other alternative contracting procedures. At the end of each contract year, public entities are required to provide the Board with: a list of work orders issued; the cost of each work order; a list of subcontractors hired under each work order; and a copy of the intent to pay prevailing wage and the affidavit of wages paid for each work order subcontract, if requested.

The alternative public works contracting procedures under chapter 39.10 RCW are scheduled to be terminated June 30, 2013.

**Summary:** The Washington State Department of Transportation (WSDOT) is included in the list of entities that can use job order contracting. The WSDOT's ability to use this procedure is limited to the administration of building improvement, replacement, and renovation projects.

### Votes on Final Passage:

House	97	0	
Senate	48	0	(Senate amended)
House			(House refused to concur)
Senate	46	0	(Senate receded)

**Effective:** July 28, 2013

## HB 1770

C 40 L 13

Concerning the appointment of nonvoting advisory members to commodity boards.

By Representatives Buys, Blake, Chandler, Lytton and Ryu.

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

**Background:** The Washington State Department of Agriculture (WSDA) oversees the marketing of agricultural commodities. The WSDA Director may adopt a marketing order that establishes a commodity board for an agricultural commodity or agricultural commodities with like or common qualities or producers.

A commodity board is created for the purpose of aiding agricultural producers in preventing economic waste in the marketing of their agricultural commodities; developing efficient methods of marketing agricultural products; enabling agricultural producers to develop better and more efficient production, irrigation, processing, transportation, handling, marketing, and utilization of agricultural products; and protecting the interest of consumers by assuring a good quality supply of agricultural commodities, among other reasons. A commodity board is composed of five to thirteen members including the WSDA Director or

his or her representative and equal representation, if possible, of producers and handlers.

Both producer and handler board members must be citizens and residents over the age of 18 years. A producer board member must be and have been engaged in producing the affected commodity within the state for at least five years with a substantial portion of his or her income coming from producing that commodity, and not be engaged in business, directly or indirectly, as a handler or other dealer. A handler board member must be and have been either individually or as an officer or employee actually engaged in handling the affected commodity within the state for at least five years with a substantial portion of his or her income coming from handling that commodity. Producers and handlers are required to continue to meet these qualifications during their terms of office.

Washington has 23 agricultural commodity boards, including the Apple Commission, Beer Commission, Dry Pea and Lentil Commission, and Red Raspberry Commission. Fifteen commissions are established by the WSDA Director through the adoption of marketing orders and seven commissions are established under separate state statutes.

**Summary:** A commodity board may appoint to the board up to two nonvoting advisory members who have expertise in marketing, operations, or other topics relevant to the work of the board. Nonvoting advisory members' terms of office cannot exceed three years, but they may be reappointed to serve additional consecutive terms.

Nonvoting advisory members do not count towards establishing a quorum of the board, and they are compensated the same as board members.

**Votes on Final Passage:**

House	98	0
Senate	47	0

**Effective:** July 28, 2013

**ESHB 1774**

C 205 L 13

Requiring measurement of performance and performance-based contracting of the child welfare system.

By House Committee on Early Learning & Human Services (originally sponsored by Representatives Freeman, Goodman, Haler, Roberts, Farrell, Kagi, Stanford, Stonier, Bergquist, Ryu, O'Ban, Morrell, Fey, Pollet and Santos).

House Committee on Early Learning & Human Services  
House Committee on Appropriations Subcommittee on Health & Human Services

Senate Committee on Human Services & Corrections

**Background:** In 1998 a lawsuit was filed against the Department of Social and Health Services (DSHS) on behalf of foster children who had experienced harmful conditions during their time in foster care caused by placements in

multiple foster homes and insufficient services. The parties reached a settlement agreement in 2004 and the DSHS agreed to make reforms in six key areas: placement stability; mental health; foster parent training; unsafe or inappropriate placements; sibling separation; and adolescent services. The settlement also established the Braam Oversight Panel (Oversight Panel), consisting of five independent members who were to create an implementation plan to improve outcomes in the six areas and to oversee the DSHS's progress in making reforms.

The Oversight Panel issued a report for the first half of 2012 which indicated that the DSHS had made significant progress in improving many aspects of the state's foster care system. In October 2011 the parties entered into a revised settlement agreement and the DSHS acknowledged that some outcomes had not been met. The revised agreement extended the Oversight Panel's operations until December 31, 2012.

**Performance-Based Contracts. Procurement.** In 2012 legislation was enacted requiring the DSHS to enter into performance-based contracts for family support and related services no later than December 1, 2013. Except where mutually agreed by the DSHS and the network administrator for a successful transition of services, as of December 1, 2013, the DSHS was prohibited from renewing its current contracts with individuals or entities for child welfare services where those services were included in performance-based contracts in areas served by network administrators.

The DSHS was required to issue Requests for Proposals (RFPs) for performance-based contracts no later than December 31, 2012, and to notify the successful bidders by June 30, 2013.

**Demonstration Sites.** Legislation enacted in 2009 required the DSHS to set up two demonstration sites to compare child welfare care management by private agencies with child welfare case management by employees of the DSHS. The implementation dates for these demonstration sites have been periodically extended. In 2012 the implementation date was extended to December 30, 2015.

**Legislative Children's Oversight Committee.** The Legislative Children's Oversight Committee was established in 1996 to monitor and ensure compliance with administrative acts, statutes, rules, policies pertaining to services for families and children, and the placement, supervision, and treatment of children in the state's care.

**Child Welfare Transformation Design Committee.** The Child Welfare Transformation Design Committee (TDC) was established in 2009 and charged with selecting the two demonstration sites to be used for the comparison of the delivery of child welfare services. The TDC was also required to develop performance outcomes to be included in performance-based contracts. Initially, the TDC was required to report to the Governor and the Legislative Children's Oversight Committee on a quarterly basis. From June 2012 until December 2015, the TDC was only required to report twice per year.

**Summary:** Child Welfare Measurements. A university-based child welfare research entity (research entity) and the DSHS, in collaboration with other stakeholders, must develop measurements for the indicators of safety, permanency, and well-being in the child welfare system. The measurements must be developed using existing and available data from state agencies, which are defined as any agency or subagency providing data used in the integrated client database maintained by the Research and Data Analysis Division of the DSHS.

The measurements must not require state agencies to provide individually identifiable information. The measurements must use a methodology accepted by the scientific community, and wherever possible, must address any disproportionate racial and ethnic inequality. The measurements must be developed by December 1, 2013.

By January 1, 2014, the state agencies must execute agreements with the research entity regarding data sharing to comply with the act. The state agencies must provide the research entity with all measurement data at least quarterly, beginning July 1, 2014. The research entity must make the nonidentifiable data publicly available, and it must report to the Legislature and the Governor annually, starting December 31, 2014.

Under the act, specific measures, baselines, or comparisons of measures to a baseline used by the research entity are not admissible as evidence of negligence by the DSHS in a civil action.

Performance-Based Contracts. The time by which the DSHS must enter into performance-based contracts for family support and related services is extended until July 1, 2014. The time by which the DSHS must issue the RFPs is extended until December 31, 2013. The DSHS must begin implementation of performance-based contracting by July 1, 2014, and must fully implement performance-based contracting by July 1, 2015.

The statutory provision that prohibits the DSHS from renewing its current contracts for child welfare services, where those services are included in performance-based contracts in areas served by network administrators, is removed.

Demonstration Sites. The date by which the child welfare demonstration sites must be implemented is extended until December 30, 2016.

Child Welfare Transformation Design Committee. The provisions setting forth the duties of the TDC are suspended until December 1, 2015.

**Votes on Final Passage:**

House	95	3	
Senate	48	0	(Senate amended)
House	90	5	(House concurred)

**Effective:** July 28, 2013

Concerning esthetics.

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

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

**Background:** An esthetician license allows for:

- the care of the skin by application and use of various products, devices, equipment, and techniques;
- the temporary removal of superfluous hair;
- tinting of eyelashes and eyebrows; and
- lightening of hair, except the scalp.

The Department of Licensing (Department) licenses estheticians, including:

- establishing curricula for the training of students and apprentices;
- preparing and administering the exams;
- establishing minimum safety and sanitation standards; and
- adopting rules.

The Washington State Apprenticeship and Training Council (WSATC) oversees the state apprenticeship program within the Department of Labor and Industries. The WSATC establishes apprenticeship program standards, approves apprenticeship training programs, and otherwise governs apprenticeship programs.

Apprenticeship is another path to receiving a license for esthetics. An apprenticeship program for esthetics must be approved by the WSATC. An apprenticeship salon/shop must provide the Department with a list of individuals acting as apprentice trainers. These trainers must be approved by the Department, must have a current license in esthetics, and must have held that license for a minimum of three consecutive years. An apprenticeship salon/shop must post a notice to consumers stating that the shop participates in the apprenticeship program and that apprentices are in training and not yet licensed. The programs have various record-keeping and reporting requirements.

Minimum Training Hours. To receive an esthetics license, a person must meet training requirements and pass an exam. The minimum training hours required at a school is 600 hours for an esthetician. The minimum training hours required by an approved apprenticeship program is 800 hours for an esthetician.

Reciprocity. A reciprocity provision allows a person with the equivalent license in another state to obtain a license by paying a fee and passing the examination.

**Summary:** Licensure of estheticians is broken into two categories, estheticians and master estheticians. A number of changes are made to reflect the creation of the additional master esthetician license category.

Scope of Practice. The definition of the "practice of esthetics" is modified to include light peels. The practice of esthetics does not include the use of lasers or the administration of injections.

"Practice of master esthetics" includes all of the methods allowed in the definition of the practice of esthetics. It also includes the performance of medium depth peels and the use of medical devices for care of the skin and permanent hair reduction. The medical devices include, but are not limited to, lasers, light, radio frequency, plasma, intense pulsed light, and ultrasound. The use of a medical device must comply with state law and rules, including any laws or rules that require delegation or supervision by a licensed health professional acting within the scope of practice of that health profession.

Minimum Training Hours. The minimum training hours required at a school is increased to 750 hours for an esthetician. For a master esthetician license, the minimum training hours required is either:

- 1,200 hours; or
- esthetician licensure plus 450 hours of training.

The minimum training hours required for an apprentice remains 800 hours for an esthetician. For a master esthetician it is 1,400 hours.

Transition to New Licenses. Prior to January 1, 2015, any person holding an active license in good standing as an esthetician may continue to be licensed as an esthetician after paying the appropriate license fee.

Prior to January 1, 2015, an applicant for a master esthetician license must have an active license in good standing as an esthetician, pay the appropriate license fee, and provide the Department with proof of having satisfied one or more of the following requirements:

- a combination of specific training and/or experience regarding medium depth peels and the use of lasers;
- a national or international diploma or certification in esthetics that is recognized by the Department by rule;
- an instructor in esthetics who has been licensed as an instructor in esthetics by the Department for a minimum of three years; or
- completion of 1,200 hours of an esthetic curriculum approved by the Department.

Reciprocity. The Director of the Department (Director) must, upon passage of the required examination, issue a license as master esthetician to an applicant who submits:

- an application;
- the fee;
- proof that the applicant is currently licensed in good standing in esthetics in another licensing jurisdiction; and
- proof that the applicant meets specific education requirements.

The Director may, upon passage of the required examination, issue a master esthetician license to an applicant that is currently licensed in esthetics and submits an application and fee, and:

- proof that he or she is licensed in good standing in another licensing jurisdiction and that license is substantially equivalent to a master esthetician license in Washington; or
- proof that the applicant meets specific education requirements.

**Votes on Final Passage:**

House	87	11	
Senate	45	2	(Senate amended)
House	87	10	(House concurred)

**Effective:** July 28, 2013

**HB 1790**  
C 41 L 13

Concerning the use of traffic school fees.

By Representatives Parker, Ormsby, Riccelli and Ryu.

House Committee on Transportation  
Senate Committee on Transportation

**Background:** City, towns, and counties may establish traffic schools that instruct, educate, and inform all attendees of such a school in the proper, lawful, and safe operation of motor vehicles. These traffic schools are under the control and supervision of the board of county commissioners and are conducted with the assistance of law enforcement. A court handling traffic cases may, as part of any sentence or as a condition of deferral, order any person so convicted to attend a traffic school. It is a traffic infraction if a person fails to attend a traffic school as mandated by a court.

Traffic schools may charge a fee to those who attend the school. This fee, however, may not exceed the penalty for an unscheduled traffic infraction, as set by the Washington Supreme Court, including any assessments and other costs required by statute or rule. If a school charges a fee that is greater than the cost, the city, town, or county may use the excess amount for certain purposes. Primarily, the surplus amount may be used for safe driver education materials, programs, promotions, or advertising. Any surplus amount may also be used for costs associated with the training of law enforcement officers.

**Summary:** Fees collected by traffic schools that are in excess of the cost may be used only for safe driver education materials, programs, promotions, or advertising. Revenue generated by these fees may also be used for costs associated with the training of law enforcement officers. The fees are not subject to indirect costs, and may not be used to supplement any other costs of a city, town, or county.

## HB 1800

### Votes on Final Passage:

House 97 0  
Senate 48 0

**Effective:** July 28, 2013

### HB 1800

C 146 L 13

Changing regulations concerning the compounding of medications.

By Representatives Cody, Morrell and Schmick.

House Committee on Health Care & Wellness

Senate Committee on Health Care

**Background:** Compounding is a practice in which a pharmacist prepares a prescription by combining two or more ingredients. Compounding is authorized in specific situations and in limited quantities. The compounding of an inordinate amount of drugs, relative to the practice site in anticipation of receiving prescriptions without any historical basis, is considered "manufacturing." Manufacturers must obtain a license and meet state and federal regulatory requirements beyond those established for pharmacists engaged in compounding.

The Board of Pharmacy allows pharmacists to conduct compounding in limited situations. Pharmacists may compound drugs for individual patients when there is a pharmacist/patient/prescriber relationship and the patient presents a prescription. Pharmacists may also compound drug products that are commercially available for individual patients when it is in anticipation of orders based upon routine, regularly observed prescribing patterns. In addition, pharmacists may compound drugs in very limited quantities prior to receiving a prescription based upon a history of receiving prescriptions from a certain pharmacist/patient/prescriber relationship.

Pharmacists are prohibited from offering compounded drug products to others for resale, except to a practitioner to administer to an individual patient.

**Summary:** The term "manufacture" is expanded to include the distribution of a compounded drug to other licensed persons or commercial entities for resale or distribution, unless the product item has been approved by the Board of Pharmacy.

The term "manufacture" excludes (1) compounding products in anticipation of an order of a practitioner to administer to patients under their direct supervision; (2) repackaging commercially available medication in small, reasonable quantities for practitioners to use for office use; (3) distributing compounded drugs to other entities under common ownership of the facility in which the compounding takes place; or (4) delivering compounded products that are dispensed pursuant to a valid prescription to alternate delivery locations when requested by the patient, the

prescriber to administer to the patient, or another pharmacy to dispense to the patient.

Compounded products or products prepared for patient administration or distribution to a practitioner for patient use must meet the nonsterile product and sterile administered product standards of the United States Pharmacopeia.

### Votes on Final Passage:

House 97 0  
Senate 48 0 (Senate amended)  
House 95 0 (House concurred)

**Effective:** May 7, 2013

### SHB 1806

C 42 L 13

Addressing the definition of veteran for purposes of veterans' assistance programs.

By House Committee on Community Development, Housing & Tribal Affairs (originally sponsored by Representatives Hansen, Magendanz, Appleton, Morrell, Bergquist and Fey).

House Committee on Community Development, Housing & Tribal Affairs

Senate Committee on Governmental Operations

**Background:** In 2005 legislation was enacted that required each county to establish a veterans' assistance program (VAP) to provide relief for indigent veterans and their families. Each county must create a veterans' advisory board to determine the needs of local indigent veterans and the available resources and programs that could benefit indigent veterans and their families. Counties also must pay for the burial or cremation costs of indigent veterans and their families.

County VAP funding is established in the Veterans' Assistance Fund (Fund). The Legislature authorizes counties to levy a tax for the Fund. The Fund may be used for veterans' assistance programs, the burial or cremation of indigent veterans or their families, and direct or indirect costs of the administration of the Fund.

For purposes of the VAP, "veteran" has the same meaning as the general statutory definitions of veteran, including active service members who have served in an armed conflict and members of the armed forces, reserves, or National Guard who have received an honorable or medical discharge and have fulfilled their military service obligations. Indigent status is determined by each county, based on public assistance received, income level, or ability to afford basic needs.

**Summary:** A county may extend its VAP services to any service member who has received a general discharge under honorable conditions or a medical or physical discharge with an honorable record.

**Votes on Final Passage:**

House 98 0  
 Senate 48 0

**Effective:** July 28, 2013

**EHB 1808**

C 133 L 13

Addressing the proper disposal of legal amounts of marijuana inadvertently left at retail stores holding a pharmacy license.

By Representatives Nealey and Hurst.

House Committee on Government Accountability & Oversight

Senate Committee on Health Care

**Background:** The Uniform Controlled Substances Act (Act) provides the regulatory framework regarding the manufacture, distribution, and dispensing of specified controlled substances in this state. The State Board of Pharmacy enforces the Act, and may add, delete, or recategorize the controlled substances falling within its scope. The Act provides a legal definition of "marijuana" and lists it as a "Schedule I" controlled substance.

Initiative 502 (I-502) was approved by Washington voters in November 2012. The passage of the initiative legalized the recreational use of marijuana and created a comprehensive regulatory scheme that includes provisions:

- legalizing the possession of up to one ounce of marijuana and related products for personal use;
- licensing and regulating marijuana production and distribution;
- implementing excise taxes on marijuana production, distribution, and sales;
- creating a dedicated marijuana fund for the collection and distribution of marijuana-related tax revenues;
- deleting statutory provisions containing criminal and/or civil penalties for activities authorized by I-502; and
- revising drunk driving laws to include specific provisions pertaining to driving under the influence of marijuana.

Under the federal Controlled Substances Act, marijuana remains illegal and continues to be categorized as a Schedule 1 controlled substance, along with heroin, LSD, peyote, and many other drugs. A pharmacy is subject to stringent legal requirements regarding the disposal of any controlled substance, including marijuana. As a general rule, a pharmacy may lawfully dispose of a controlled substance only by transferring the substance to an entity authorized by the Drug Enforcement Agency to oversee such disposal.

**Summary:** If a manager or employee of a retail store holding a pharmacy license finds one ounce or less of marijuana inadvertently left within the premises of the business, he or she must promptly notify either the local law enforcement agency or the Washington State Patrol. Following such law enforcement notification, the store manager or employee must properly dispose of the marijuana. "Properly dispose" means ensuring that the marijuana is destroyed or rendered incapable of use by another person.

**Votes on Final Passage:**

House 97 0  
 Senate 48 0 (Senate amended)  
 House 94 0 (House concurred)

**Effective:** July 28, 2013

**SHB 1812**

C 147 L 13

Extending the time frame for making expenditures under the urban school turnaround initiative.

By House Committee on Appropriations Subcommittee on Education (originally sponsored by Representatives Haigh, Pettigrew, Springer, Haler, Hunt, Fagan, Morrell, Hunter, Hudgins and Santos).

House Committee on Appropriations Subcommittee on Education

Senate Committee on Early Learning & K-12 Education  
 Senate Committee on Ways & Means

**Background:** The Urban School Turnaround Initiative (USTI) was created in the 2012 Supplemental Budget to improve learning achievement of students in low-performing urban schools. Under the grant, two schools are selected from the largest urban school district in the state. The selected schools are required to be among the state's lowest-performing schools. Additionally, the selected schools are required to be within the same community, have significant educational achievement gaps, and be a mix of elementary, middle, or high schools.

The USTI grant is one-time and must be used in the 2012-13 school year for intensive supplemental instruction, services, and materials in the selected schools. Certain specific expenditure categories are permitted. These permitted expenditures include: professional development for school staff; updated curriculum, materials, and technology; extended learning opportunities for students; reductions to class sizes; summer enrichment activities; school-based health clinics; and other research-based initiatives to turn around the performance and close the achievement gap in the selected schools.

The Office of the Superintendent of Public Instruction (OSPI) is required to monitor the activities in the selected schools. Additionally, the OSPI must submit a report to the Legislature by December 1, 2013, detailing the outcomes that resulted from the USTI grant and including a

comparison of student learning achievement in the selected schools as compared with schools of comparable demographics that were not recipients of the grant.

The two schools selected to receive the USTI grant were Aki Kurose Middle School Academy and Rainier Beach High School. Each school received \$1 million to be spent in the 2012-13 school year, for which each has submitted a spending plan for the grant funds.

**Summary:** The requirement that the Urban School Turn-around Initiative (USTI) grant selected schools utilize the funds in the 2012-13 school year is removed. The Office of the Superintendent of Public Instruction is directed to enter into an expenditure agreement with the selected schools. The agreement requires that any USTI grant funds remaining unspent on August 31, 2015, be returned to the state.

**Votes on Final Passage:**

House	69	29
Senate	44	3

**Effective:** May 7, 2013

**HB 1818**

C 324 L 13

Promoting economic development through business and government streamlining projects.

By Representatives Smith, Maxwell, Magendanz, Morris, Hargrove, Sells, Angel, Ryu, Hayes, Zeiger, Vick, O'Ban, Morrell, Bergquist, Stonier and Fey.

House Committee on Technology & Economic Development

House Committee on Appropriations Subcommittee on General Government

Senate Committee on Trade & Economic Development

Senate Committee on Ways & Means

**Background:** Executive Order 12-01, *Regulatory Reform and Assistance to Help Small Businesses Succeed and Grow* issued on January 5, 2012, directed the Office of Regulatory Assistance (ORA) and the Department of Commerce (Department), in collaboration with other agencies, to develop a pilot program that streamlines and reduces the number of duplicative and conflicting requirements, decisions, and inspections that affect small business operations. The pilot program was required to begin with a project focused on a segment of the food and beverage industry, and to involve local government and related industry associations. The agencies were directed to develop shared, delegated, or joint regulatory and inspection approaches among agencies whenever possible. They were further directed to design the program to conduct an inventory and reconcile related or similar regulatory requirements across relevant agencies and to compile a report with a guide or template for expansion to other business types or industry sectors.

The Washington Economic Development Commission (Commission) was created to provide planning, coordination, evaluation, monitoring, and policy analysis and development for the state economic development system as a whole. The Commission's biennial comprehensive economic development strategy, *Driving Washington's Prosperity: A Strategy for Job Creation and Competitiveness*, produced in January 2013, included the need for "Running Lean: Regulating Smarter" as one of five key priority areas. The strategy's first regulatory-related recommendation was to initiate a systematic review of state regulations on a sector-by-sector basis for their cost-effectiveness and determine overlaps, excessive costs, obsolescence, redundancy, and solutions.

**Summary:** The Legislature finds that a number of state agencies have identified the need for an improved regulatory environment for small businesses to grow and improve jobs. The Legislature additionally finds that cross-agency and cross-jurisdictional regulatory improvements are needed in to meaningfully improve the overall business customer experience and to increase the business community compliance with requirements.

The Legislature intends to authorize a business regulatory efficiency program administered by the Department with the goal of providing an improved regulatory environment in Washington.

The Department, in collaboration with the ORA and the Office of Accountability and Performance, are authorized to conduct one or more annual multi-jurisdictional regulatory streamlining projects impacting a specific industry sector within a specific geographical location between 2013 and 2019.

The Department must establish and implement a competitive application process to select the projects. The initial pilot project must focus on the manufacturing sector. The Department, in consultation with the Commission, must determine the sectors for subsequent projects. All state agencies with regulatory requirements that impact the chosen sector must participate.

Project selection criteria must include evidence of strong business and local government commitment, identification of a lead partner capable of managing the project, and the provision of a 50 percent match by project partners. The Department must pursue non-state sources of funding for the remainder of the funding needed. A maximum of \$50,000 of state funds may be used for a project.

Project partners must present their recommendations to the Department for comment and endorsement, and to the Commission for comment, endorsement, and evaluation.

The Department must document and distribute the streamlined laws, rules, processes, and other potentially replicable information derived from the projects to cities and counties. The Department must also submit annual re-

ports to the Legislature containing project outcomes and streamlining recommendations identified in the projects that require statutory changes for implementation.

**Votes on Final Passage:**

House	97	0
Senate	46	0

**Effective:** July 28, 2013

## SHB 1821

C 206 L 13

Concerning good cause exceptions during permanency hearings.

By House Committee on Early Learning & Human Services (originally sponsored by Representatives Freeman and Santos).

House Committee on Early Learning & Human Services  
House Committee on Appropriations  
Senate Committee on Human Services & Corrections  
Senate Committee on Ways & Means

**Background:** The Adoption and Safe Families Act of 1997 requires states to begin parental termination proceedings after a child has been placed in foster care for 15 of the previous 22 months, unless it is not in the child's best interest or the child is residing in a relative placement. In Washington, courts may also enter a "good cause exception" in lieu of filing of a termination petition. A "good cause exception" provides the legal reasoning as to why filing a parental right's termination petition is not appropriate. If entered by the court, the good cause exception must be reconsidered at each review hearing for a given case.

In Washington, the following reasons are established as permissible "good cause exceptions:" the child is being cared for by a relative; the Department of Social and Health Services (DSHS) has not provided to the child's family such services as the court and the DSHS have deemed necessary for the child's safe return home; or the DSHS has documented in the case plan a compelling reason for determining that filing a petition to terminate parental rights would not be in the child's best interests.

**Summary:** The circumstances for which a court may enter a "good cause exception" to prevent the filing of a termination petition are expanded to include the following:

- a parent has been accepted into a dependency treatment court program or long-term substance abuse or dual diagnoses treatment program and is demonstrating compliance with treatment goals; or
- a parent who has been court ordered to complete services necessary for the child's safe return home files a declaration under penalty of perjury stating the parent's financial inability to pay for the same court-ordered services, and also declares the DSHS was

unwilling or unable to pay for the same services necessary for the child's safe return home.

Both of the aforementioned good cause exceptions are valid only until June 30, 2015.

**Votes on Final Passage:**

House	97	0	
Senate	48	0	(Senate amended)
House			(House refused to concur)
Senate	46	0	(Senate amended)
House	98	0	(House concurred)

**Effective:** July 28, 2013

## SHB 1822

C 148 L 13

Concerning debt collection practices.

By House Committee on Judiciary (originally sponsored by Representative Stanford).

House Committee on Judiciary  
House Committee on Appropriations Subcommittee on General Government  
Senate Committee on Financial Institutions, Housing & Insurance

**Background:** State and Federal Governing Laws. Collection agencies are regulated by both state and federal law. Collection agencies are licensed by the Washington State Department of Licensing and are subject to the state Collection Agency Act (CAA). When collecting consumer debt, collection agencies must also comply with the federal Fair Debt Collection Practices Act (FDCPA) when collecting consumer debt. The CAA and FDCPA define collection agencies (called "debt collectors" under the FDCPA) as persons or entities directly or indirectly engaged in soliciting claims for collection, or collecting or attempting to collect claims owed or due or asserted to be owed or due another person. Also included in the definition are persons or entities collecting on their own behalf under another name, which would indicate to the debtor that a third person is attempting to collect the claim.

The CAA does not specifically address people or entities purchasing delinquent claims and taking action to collect on those claims. This practice is commonly referred to as "debt buying."

**Prohibited Practices.** Both the CAA and the FDCPA permit and prohibit certain practices, and in general have similar provisions describing what is and is not allowed. Where there is an inconsistency, the FDCPA supersedes state law; however, a state law is not inconsistent with the FDCPA if it affords greater consumer protection than the FDCPA.

Examples of prohibited practices under both acts include publishing or threatening to publish "bad debt lists," purporting to be associated with law enforcement, failing to follow certain requirements in communications with



debtors, and engaging in harassing or threatening tactics, among other things. The practice of law is listed as a prohibited practice for collection agencies under the CAA.

**Summary:** Persons or entities engaged in the business of purchasing delinquent or charged-off debt for collection (debt buyers) are collection agencies for purposes of the CAA, even if the collection of those claims is performed by a third party or an attorney through litigation. Debt buyers must be licensed as collection agencies and comply with the other requirements of the CAA.

The list of prohibited practices in the CAA is amended to prohibit the "unauthorized" practice of law, rather than the practice of law in general.

**Votes on Final Passage:**

House	97	0
Senate	48	0

**Effective:** July 28, 2013  
October 1, 2013 (Sections 1 and 3)

## EHB 1826

C 149 L 13

Updating integrated resource plan requirements to address changing energy markets.

By Representative Morris.

House Committee on Environment  
Senate Committee on Energy, Environment & Telecommunications

**Background:** Electric Utility Resource Planning. All investor-owned and consumer-owned electric utilities in the state with more than 25,000 customers must develop an Integrated Resource Plan (IRP). All other utilities in the state, including full requirements customers that essentially receive all of their power from the Bonneville Power Administration, must file either an IRP or a less detailed resource plan.

An IRP must describe the mix of generating resources and conservation and efficiency resources that will meet current and projected needs at the lowest reasonable cost to the utility and its ratepayers. The IRP, at a minimum, must include:

- a range of forecasts, for at least the next 10 years, of projected customer demand;
- an assessment of commercially available conservation and efficiency resources;
- an assessment of commercially available, utility scale renewable and nonrenewable generating technologies;
- a comparative evaluation of renewable and nonrenewable generating resources;
- the integration of the demand forecasts and resource evaluations into a long-range assessment describing the mix of supply side generating resources and con-

servation and efficiency resources that will meet current and projected needs at the lowest reasonable cost and risk to the utility and its ratepayers; and

- a short-term plan identifying the specific actions to be taken by the utility consistent with the long-range IRP.

Reporting on the Adequacy of Washington's Electricity Supply. The Department of Commerce is required to review the plans of investor-owned and consumer-owned electric utilities and data available from other state, regional, and national sources, and prepare an electronic report to the Legislature aggregating the data and assessing the overall adequacy of Washington's electricity supply. The report must include a statewide summary of utility load forecasts, load/resource balance, and utility plans for the development of thermal generation, renewable resources, and conservation and efficiency resources.

**Summary:** Electric Utility Resource Planning. In addition to other reporting requirements, electric utilities with more than 25,000 customers must include in their integrated resource plans an assessment of methods, technologies, or facilities for integrating renewable resources and addressing overgeneration events, if applicable to the utility's resource portfolio. This assessment is not required from full requirements customers of the Bonneville Power Administration

Additionally, integrated resource plans relating to the integration of the demand forecasts and resource evaluations into a long-term assessment must include a description of how overgeneration events are mitigated at the lowest reasonable cost and risk to the utility and its ratepayers.

All other electric utilities, when enumerating the resources that will be maintained and/or acquired to serve those loads, must provide in their resource plans an explanation of why methods, commercially available technologies, or facilities for integrating renewable resources, including to address an overgeneration event, were not chosen and why that decision was made.

An overgeneration event is defined as an event within an operating period of a balancing authority when the electricity supply, including generation from intermittent renewable resources, exceeds the demand for electricity for that utility's energy delivery obligations and when there is a negatively priced regional market.

Integrated Resources Plans Forecasting Range. In addition to including a range of forecasts of projected customer demand for at least the next 10 years, electric utilities may include in their integrated resource plans a range of forecasts of projected customer demand longer than 10 years.

Reporting on the Adequacy of Washington's Electricity Supply. In reporting on the adequacy of Washington's electricity supply, the Department of Commerce must pro-

vide an examination of assessment methods used by electric utilities to address overgeneration events.

**Votes on Final Passage:**

House	87	10	
Senate	48	0	(Senate amended)
House	86	9	(House concurred)

**Effective:** July 28, 2013

## SHB 1836

C 43 L 13

Concerning the introduction of contraband into or possession of contraband in a secure facility.

By House Committee on Public Safety (originally sponsored by Representatives Holy, Goodman, Roberts, Hope, Hayes and Appleton; by request of Department of Social and Health Services).

House Committee on Public Safety

Senate Committee on Human Services & Corrections

**Background:** "Secure facility" means a residential facility for persons civilly confined as sexually violent predators or awaiting trial for civil commitment as sexually violent predators that includes security measures sufficient to protect the community.

"Contraband" means any article or thing which a person confined in a detention facility is prohibited from obtaining or possessing by statute, rule, regulation, or order of a court.

A person is guilty of Introducing Contraband in the first degree if he or she knowingly provides any deadly weapon to a person confined in a detention facility. Introducing Contraband in the first degree is a class B felony.

A person is guilty of Introducing Contraband in the second degree if he or she knowingly and unlawfully provides contraband to a 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. Introducing Contraband in the first degree is a class C felony.

A person is guilty of Introducing Contraband in the third degree if he or she knowingly and unlawfully provides contraband to a person confined in a detention facility. Introducing Contraband in the third degree is a misdemeanor.

**Summary:** The criminal offenses for introducing contraband are expanded to include secure facilities.

"Contraband" means any article or thing which a person confined in a detention facility or secure facility is prohibited from obtaining or possessing by statute, rule, regulation, or order of a court.

A person is guilty of Introducing Contraband in the first degree if he or she knowingly provides any deadly weapon to a person confined in a detention facility or secure facility. Introducing Contraband in the first degree is a class B felony.

A person is guilty of Introducing Contraband in the second degree if he or she knowingly and unlawfully provides contraband to a person confined in a detention facility or secure facility with the intent that such contraband be of assistance in an escape or in the commission of a crime. Introducing Contraband in the first degree is a class C felony.

A person is guilty of Introducing Contraband in the third degree if he or she knowingly and unlawfully provides contraband to a person confined in a detention facility or secure facility. Introducing Contraband in the third degree is a misdemeanor. The offense does not include legal materials brought by attorneys for review with their clients.

**Votes on Final Passage:**

House	95	0
Senate	48	0

**Effective:** July 28, 2013

## ESHB 1846

C 325 L 13

Concerning stand-alone dental coverage.

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

House Committee on Health Care & Wellness

Senate Committee on Health Care

Senate Committee on Ways & Means

**Background:** I. Pediatric Oral Services Outside the Washington Health Benefit Exchange. A. The Washington Health Benefit Exchange. Under the federal Patient Protection and Affordable Care Act (PPACA), states must establish a health benefits exchange (Exchange) through which consumers may compare and purchase individual and small group coverage. If a state does not establish an Exchange, the federal government will operate the state's Exchange. Washington established its Exchange in 2011 as a public-private partnership.

B. Essential Health Benefits. The PPACA requires qualified health plans offered both inside and outside of the Exchange to cover 10 categories of essential health benefits. To determine the benefits that must be offered in each of the categories, federal law allows states to designate a benchmark plan and supplement that plan to ensure that all 10 categories of essential health benefits are covered. Washington has designated the largest small group plan in the state as its benchmark and the Insurance Commissioner has adopted rules to supplement the plan to ensure that all 10 essential health benefit categories are included.

C. Pediatric Oral Coverage. One of the essential health benefits categories in the PPACA is pediatric oral care. The PPACA allows stand-alone dental coverage to

be offered in an Exchange. If a stand-alone dental plan is offered in the Exchange, another health plan offered in the Exchange is not disqualified from becoming a qualified health plan if it does not include pediatric oral coverage.

Under state law, the Exchange must allow stand-alone dental plans to be offered in the Exchange. To assure transparency to consumers, dental benefits offered in the Exchange must be priced separately.

Washington's essential health benefits benchmark plan does not cover pediatric oral services. The rules adopted by the Insurance Commissioner supplement the benchmark plan to include pediatric dental coverage. Under the rules, a health plan must cover pediatric oral services as an embedded set of services, offered through a rider or as a contracted service. If a health plan is subsequently certified as a qualified health plan, this requirement is met if a stand-alone dental plan covering pediatric oral services is offered in the Exchange. Unless otherwise prohibited by federal law, the Insurance Commissioner must allow health carriers to offer pediatric oral services within the health benefit plan in the non-grandfathered individual and small group markets outside of the Exchange.

**II. Health Maintenance Organization Provider Contracts.** Generally, contracts between a health maintenance organization and its participating providers must be in writing and must set forth that the enrollee is not liable for amounts the health maintenance organization owes the provider. This requirement does not apply to emergency care from a non-participating provider, out-of-area services, or in exceptional situations approved in advance by the Insurance Commissioner.

**III. Premium Tax.** Generally, health insurers must pay a 2 percent premium tax to the state. The tax is imposed on the total amount of all premiums and prepayments for health care services collected during the preceding calendar year. Amounts received by a health service contractor for dental services are exempt from the premium tax.

**Summary:** **I. Pediatric Oral Services Coverage Outside of the Washington Health Benefit Exchange.** For the benefit years beginning with January 1, 2015, and only to the extent permitted by federal law and guidance, the Insurance Commissioner must establish, by rule, review and approval requirements and procedures for pediatric oral services when offered in stand-alone dental plans in the non-grandfathered individual and small group markets outside of the Exchange. Unless prohibited by federal law and guidance, the Insurance Commissioner must allow health carriers to also offer pediatric oral services within a health benefit plan in the non-grandfathered individual and small group markets outside of the Exchange.

**II. Health Maintenance Organization Provider Contracts.** The requirement that health maintenance organization provider contracts be in writing and set forth that the enrollee is not liable for amounts the health maintenance organization owes to the provider does not apply to the de-

livery of covered pediatric oral services that are substantially equal to the essential health benefits benchmark plan.

**III. Premium Tax.** Amounts paid for insurance coverage for pediatric oral services are subject to the premium tax if the services are:

- offered by a health service contractor, health maintenance organization, or life and disability insurer; and
- qualify as coverage for the minimum essential coverage requirement under the PPACA.

Amounts paid for other dental coverage offered by a health maintenance organization or a life and disability insurer are exempt from the premium tax.

**Votes on Final Passage:**

House	97	0	
Senate	47	1	(Senate amended)
House	95	0	(House concurred)

**Effective:** July 28, 2013

**SHB 1853**

C 207 L 13

Clarifying that real estate brokers licensed under chapter 18.85 RCW are independent contractors.

By House Committee on Labor & Workforce Development (originally sponsored by Representatives Maxwell, Hayes, Van De Wege, Kretz, Springer, Sells, Seaquist, Morrell, Ryu, Tharinger and Freeman).

House Committee on Labor & Workforce Development  
Senate Committee on Commerce & Labor

**Background: Overtime Requirements.** Federal and state minimum wage laws establish requirements related to overtime work. These laws require that covered employees receive overtime pay for hours worked over 40 hours per week.

Individuals who are exempt from state overtime requirements include certain truck and bus drivers, seamen, seasonal employees at a fair, certain farm workers, and employees who receive compensatory time off in lieu of overtime pay. Individuals who are excluded from the definition of "employee" in the Minimum Wage Act and who are therefore not required to be paid overtime include individuals employed in a bona fide executive, administrative, or professional capacity, farm workers, domestic workers, and newspaper carriers.

**Real Estate Brokers.** Washington law requires that real estate brokers, managing brokers, designated brokers, and real estate firms be licensed by the Department of Licensing. A real estate broker acts on behalf of a real estate firm to perform real estate brokerage services under the supervision of a designated broker or managing broker. A managing broker performs the same services but may supervise other brokers. A designated broker is a person who either owns a sole proprietorship real estate firm or

who has a controlling interest in a real estate firm and is designated to act on behalf of the firm.

Real estate brokerage services include:

- listing, selling, purchasing, and renting real estate, as well as negotiating those transactions;
- advising buyers, sellers, landlords, and tenants in connection with a real estate transaction;
- collecting, holding, or disbursing funds in connection with a real estate transaction;
- performing property management services, including marketing, leasing, renting, physical maintenance, administrative maintenance, and financial maintenance of real property, as well as supervising these actions;
- issuing brokers' price opinions; and
- advertising real estate brokerage services.

**Summary:** A real estate broker, managing broker, or designated broker is exempt from overtime requirements, unless he or she provides real estate brokerage services under a written contract with a real estate firm that provides that he or she is an employee. "Real estate brokerage services" and "real estate firm" are defined the same as in the licensing law.

**Votes on Final Passage:**

House	98	0
Senate	48	0

**Effective:** July 28, 2013

**HB 1860**  
C 44 L 13

Continuing the use of the legislature's sunset review process.

By Representatives Alexander, Haigh, Ryu and Fey; by request of Joint Legislative Audit and Review Committee Executive Committee.

House Committee on Government Accountability & Oversight  
Senate Committee on Governmental Operations

**Background:** The Legislature may schedule a program or agency to be terminated under the sunset review process. The Joint Legislative Audit and Review Committee (JLARC) must conduct a review of the program or agency and provide a preliminary report to the Office of Financial Management (OFM) during the year prior to the termination date. The JLARC must submit a final report to the OFM and the Legislature.

Entities scheduled to sunset must establish performance measures and develop a data collection plan subject to review and comment by the JLARC. The Sunset Act establishes factors that must be considered by the JLARC when conducting its review of the entity. If an entity is terminated under the sunset review process, it continues its

existence until June 30 of the next succeeding year in order to conclude its business.

The sunset review process is set to expire on June 30, 2015.

**Summary:** The termination date for the sunset review process is extended until June 30, 2025.

**Votes on Final Passage:**

House	96	0
Senate	48	0

**Effective:** July 28, 2013

**HB 1863**  
C 134 L 13

Allowing the department of labor and industries to provide information about certain scholarships.

By Representatives Stonier, Chandler, Sells, Haler, Fitzgibbon, Ross, Bergquist, Goodman, Carlyle, Hope, Reykdal, Ormsby, Stanford, Green, Ryu, Pollet and Freeman.

House Committee on Labor & Workforce Development  
Senate Committee on Commerce & Labor

**Background:** Workers who are injured in the course of employment or disabled by an occupational disease are entitled to workers' compensation benefits. A worker who suffers specified catastrophic injuries or other condition permanently incapacitating the worker from performing any work at any gainful occupation is entitled to permanent total disability benefits, also referred to as pension benefits. Survivors of workers who died as a result of a workplace injury may also be entitled to certain benefits. The Department of Labor and Industries (Department) administers the workers' compensation program.

The state Ethics in Public Service Act (Act) generally prohibits the use of state resources for the private benefit of others and the granting of special privileges to others.

**Summary:** An exemption in the Act is created. The Department may provide information about scholarship opportunities offered by nonprofit organizations and available to the children and spouses of workers who suffered death or permanent total disability from a workplace injury. The Department has discretion to provide information about one or more scholarship opportunities. The cost of printing and inserting materials, any additional mailing costs, and any other related costs must be borne by the organization.

The Department is also given express authority to provide the information.

**Votes on Final Passage:**

House	96	0
Senate	48	0

**Effective:** July 28, 2013

SHB 1866  
C 24 L 13 E2

Concerning the joint center for aerospace technology innovation.

By House Committee on Appropriations (originally sponsored by Representatives Morris, Smith, Lias, Maxwell, Morrell, Habib, Ryu, Sells, Hansen and Hudgins; by request of Governor Inslee).

House Committee on Technology & Economic Development

House Committee on Appropriations

Senate Committee on Trade & Economic Development

Senate Committee on Ways & Means

**Background:** The Economic Development Strategic Reserve Account. The Legislature created the Economic Development Strategic Reserve Account (Account) in 2005, from which only the Governor, with the recommendation of the Director of Commerce and the Economic Development Commission, may authorize expenditures. The Account may contain a maximum of \$15 million at any time, with any excess being transferred to the Education Construction Account. During the fiscal biennia ending 2011 and 2013, transfer of moneys from the account into the State General Fund is also authorized.

Funds must be used to support the Economic Development Commission staff and operational costs. Other authorized uses include preventing closure of a business or facility, recruitment of a business or facility, and funding workforce development, public infrastructure, and other assistance provided contractually with an assurance of job creation or retention.

Funds may not be expended unless the timely procurement of funding from other state sources is not possible, and funding is accompanied by private investment and will not supplant private investment. Any businesses assisted must produce significant economic benefits, including jobs or higher income, and may not require a continuing state subsidy.

The Joint Center for Aerospace Technology Innovation. The Joint Center for Aerospace Technology Innovation (Center) was created in 2012 to pursue joint industry-university research that can be used in aerospace firms, to enhance the education of engineering students, and to work with the aerospace industry to identify research needs and opportunities to transfer off-the-shelf technologies. The Center operates under the joint authority of the University of Washington and Washington State University. The Center's Board of Directors (Board) is appointed by the Governor and represents a cross-section of the aerospace industry and higher education. The Board must:

- identify research areas to benefit the aerospace industry in Washington;
- identify entrepreneurial researchers and a plan for recruiting such researchers;

- assist firms in integrating existing technologies into their operations;
- align the Center's activities with those of Impact Washington and Innovate Washington;
- ensure that students enrolled in an aerospace engineering curriculum have direct experience with aerospace firms;
- assist researchers and firms in guarding intellectual property;
- promote collaboration between industry and faculty; and
- develop nonstate support for research.

By June 30, 2013, the Board must develop an operating plan that includes specifics on how the Center will accomplish its duties. The Board must provide a biennial report to the Legislature and the Governor. The Center may solicit funds from a variety of sources to carry out its obligations. The Joint Legislative Audit and Review Committee must conduct a formal sunset review that includes an evaluation of program effectiveness and is due July 1, 2015. The Center's authorizing statute is repealed, effective July 1, 2016.

**Summary:** The Governor is authorized to expend funds from the Economic Development Strategic Reserve Account for the Joint Center for Aerospace Technology Innovation (Center).

Sunset review of the Center is extended from July 1, 2015 to July 1, 2020. The act creating the Center is repealed, effective July 1, 2021.

**Votes on Final Passage:**

House 93 4

Second Special Session

House 84 3

Senate 48 0

**Effective:** September 28, 2013

SHB 1868

C 287 L 13

Providing access to health insurance for certain law enforcement officers' and firefighters' plan 2 members catastrophically disabled in the line of duty.

By House Committee on Appropriations (originally sponsored by Representatives Freeman, Goodman, Van De Wege, Appleton, Morrell, Tarleton, Tharinger, Ryu, Maxwell, Bergquist and Pollet).

House Committee on Appropriations

Senate Committee on Ways & Means

**Background:** A member of the Law Enforcement Officers' and Fire Fighters' Retirement System (LEOFF) Plan 2 who is totally disabled in the line of duty is entitled to a disability allowance equal to 70 percent of final average salary. The total disability benefit is reduced to the extent

that in combination with certain workers' compensation payments and Social Security disability benefits, the disabled member would receive more than 100 percent of final average salary.

The disability allowance of a LEOFF Plan 2 member that is totally disabled in the line of duty includes reimbursement for any payments made for employer-provided medical insurance. This includes medical insurance offered under the federal Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA) and Medicare Parts A and B.

The COBRA health benefit provisions were enacted in 1981 to provide continuation of group health coverage that otherwise might be terminated, including for involuntary terminations such as those due to disablement. The COBRA allows individuals to continue their health insurance benefits for up to 18 months. During the time that an individual is covered by COBRA, they are responsible for paying 102 percent of the total health insurance premium, including any portion of the premium that may have been paid by the employer. If an individual has a Social Security-approved disability that started within 60 days of when COBRA benefits were elected, the individual is then eligible to continue health insurance benefits for an additional 11 months, for a total of 29 months.

While Medicare is available to most workers upon reaching age 65, it is also available to workers who become permanently and completely disabled, preventing them from further gainful employment, and who have been receiving Social Security Disability benefits for 24 months. This is the same standard of disability as LEOFF Plan 2's provision on total disability in the line of duty.

There are 139 local governments in Washington that have opted out of coverage by Social Security for all or a portion of their employees over time. Some local governments that opted out of these federal programs make employer contributions equal to or larger than those that would have gone to the federal government on behalf of their employees to alternative retirement programs, some of which may include medical benefits.

Prior to April 1986, some Washington government employers also opted out of Medicare. However, starting on April 1, 1986, all employers were required to participate in Medicare for those employees hired after that date. This meant that these employees who were hired prior to April 1986 and who have worked continuously since are not covered by Medicare and could only qualify for Medicare benefits through: (1) working for another employer for 10 years (40 quarters); or (2) if a referendum authorized by their employer approved of coverage. No data is currently available about how many members exist in the 1986 no-coverage group.

**Summary:** The act shall be known as the Wynn Loiland Act.

For individuals not eligible for employer-sponsored medical insurance, Medicare, or coverage under COBRA,

members of LEOFF Plan 2 totally disabled in the line of duty may receive reimbursement from LEOFF Plan 2 for other medical insurance premium costs. The reimbursement amounts must not exceed the amount authorized for premiums under COBRA.

**Votes on Final Passage:**

House	98	0
Senate	45	0

**Effective:** July 28, 2013

**E2SHB 1872**

C 25 L 13 E2

Establishing a comprehensive initiative to increase learning opportunities and improve educational outcomes in science, technology, engineering, and mathematics through multiple strategies and statewide partnerships.

By House Committee on Appropriations (originally sponsored by Representatives Maxwell, Dahlquist, Lytton, Sullivan, McCoy, Upthegrove, Bergquist, Seaquist, Morrell, Wylie, Goodman, Ryu, Tarleton, Tharinger, Springer, Stonier, Jinkins, Orwall, Pollet, Fey, Hansen, Liias and Freeman; by request of Governor Inslee).

House Committee on Education

House Committee on Appropriations

Senate Committee on Early Learning & K-12 Education

Senate Committee on Ways & Means

**Background:** In 2010 the Legislature directed the Office of the Superintendent of Public Instruction (OSPI) to convene a working group to develop a comprehensive plan to establish educational pathways from elementary education through postsecondary education and careers in Science, Technology, Engineering, and Mathematics (STEM). The plan defined STEM Literacy and made a number of recommendations regarding recruiting and retaining STEM educators; creating STEM pathways to boost student success; and using STEM education to close the opportunity gap and prepare students for career and college.

Examples of other STEM K-12 education initiatives currently supported by the state include:

- designation of a statewide STEM director within the OSPI;
- provision of funds to support career and technical education in the STEM and professional development for teachers to implement STEM curricula;
- designation of STEM lighthouse schools to serve as examples of innovation and best practices;
- support for a Mathematics, Engineering, and Science Achievement (MESA) program run through state colleges and universities to encourage students in under-represented groups to gain skills and explore careers in the STEM; and

- grants for high schools to implement advanced STEM curricula, such as Project Lead-the-Way.

Washington STEM is a nonprofit organization established in 2011 with the objective of identifying and supporting innovations in STEM education across the state. Since its inception, Washington STEM has invested in a variety of initiatives including support for regional networks of education institutions and community organizations to advance STEM education that is aligned with local economic development; entrepreneur awards to help educators test new ideas and innovations; and portfolio awards that support multi-year STEM education projects.

One of the responsibilities of the Washington Student Achievement Council (WSAC) is to propose educational attainment goals and priorities through a ten-year Roadmap. Strategies to be included in the Roadmap are outlined in statute. The first Roadmap is due December 1, 2013.

The Quality Education Council (QEC) is charged with recommending and informing the ongoing implementation of the program of Basic Education to be delivered by the public schools. The QEC also must identify measurable ten-year goals and priorities for the education system.

**Summary:** *STEM Literacy.* A definition of STEM Literacy is adopted: the ability to identify, apply, and integrate concepts from science, technology, engineering, and mathematics to understand complex problems and to innovate to solve them. Four components of STEM Literacy are also described: scientific, technological, engineering, and mathematical literacy.

*STEM Education Innovation Alliance.* A STEM Education Innovation Alliance (Alliance) is established to advise the Governor and provide vision and guidance in support of STEM education initiatives from early learning through postsecondary education. The Governor's Office, in consultation with the Superintendent of Public Instruction, must invite representatives of businesses, education institutions, and organizations with expertise in STEM education to participate. The Governor's Office, the OSPI, and other state education agencies are also represented.

The first task of the Alliance is to combine previous STEM education strategic plans into a comprehensive STEM Framework for Action and Accountability (Framework). The Framework must use selected measures that are meaningful indicators of progress in increasing STEM learning opportunities and achieving longer-term outcomes in the STEM.

*STEM Benchmark Report Card.* The Alliance must also develop a STEM Benchmark Report Card (Report Card) based on the Framework. The purpose of the Report Card is to monitor progress in aligning strategic plans and activities in order to prepare students for STEM-related jobs and careers, with the longer-term goal of improving educational, workforce, and economic outcomes. The Report Card must be posted online and contain the following:

- the most recent data for the measures and indicators of the Framework;
- information from state education agencies on how activities and resources are aligned with the Framework; and
- data regarding STEM job openings.

The Education Data Center in the Office of Financial Management (OFM) coordinates data collection and analysis to support the Report Card. State education agencies must annually report on how their policies, activities, and expenditures align with and support the Framework. The Employment Security Department must create an annual report on current and projected job openings in STEM fields for the Report Card.

The first Report Card must be published by January 10, 2014, to be updated annually thereafter.

*Statewide STEM Organization.* To the extent funds are appropriated for this purpose, the OFM must contract with a statewide nonprofit organization with expertise in promoting and supporting STEM education from early learning through postsecondary education. The purpose of the contract is to identify, test, and develop evidence-based approaches for increasing STEM learning opportunities and improving outcomes that are aligned with the Framework.

The activities conducted under the contract are negotiated between the Governor's Office, the OFM, and the selected organization, and include:

- a communications campaign about the importance of STEM Literacy and the opportunities presented by STEM education and careers;
- expansion of regional STEM networks;
- competitive grants to support innovative practices in STEM education, including models of interdisciplinary instruction and project-based learning;
- professional development opportunities, including technology-enabled learning systems to support state learning standards; and
- opportunities to extend the STEM into early learning.

*Other Initiatives.*

Subject to funding, the OSPI, in consultation with the Alliance, must identify and disseminate resources and materials to elementary, middle, and high schools to encourage interdisciplinary instruction and project-based learning in the STEM.

The WSAC must consult with the Alliance in order to align the Roadmap with the Framework and must include strategies in the Roadmap to strengthen the education pipeline and degree production in STEM fields. The QEC must include strategies to increase STEM learning opportunities in the goals and priorities for the K-12 education system.

The provisions of the bill, as well as laws pertaining to STEM lighthouse schools, the STEM director in the OSPI,

the MESA program, and grants for STEM curricula, are all placed in a new RCW Chapter.

**Votes on Final Passage:**

House 58 40

Second Special Session

House 58 32

Senate 47 0

**Effective:** September 28, 2013

## SHB 1883

C 225 L 13

Simplifying and updating statutes related to fuel tax administration.

By House Committee on Transportation (originally sponsored by Representatives Fitzgibbon, Orcutt, Riccelli, Farrell and Lias; by request of Department of Licensing).

House Committee on Transportation

Senate Committee on Transportation

**Background:** Transportation funding in Washington is supported by a variety of taxes and fees. The majority of statewide transportation revenue comes from a 37.5-cent-per-gallon tax on motor vehicle and special fuel. The 18th Amendment to the Washington Constitution requires that the proceeds of these taxes, as well as vehicle license fees, be deposited in the Motor Vehicle Fund. Monies in that fund are restricted, again by the 18th Amendment, to highway purposes only, as defined in the amendment.

Prior to 1999 taxes on motor vehicle fuel and special fuel were collected by the Department of Licensing (DOL) from fuel distributors. At that time, there were approximately 740 licensed fuel distributors in Washington. In addition, approximately 27,000 individuals held licenses that allowed them to purchase fuel without paying taxes at the time of purchase. In 1998 the imposition of fuel taxes was modified so that it occurred at the time of removal of such fuel from the terminal rack. This is referred to as "tax-at-the-rack," and there are currently 24 terminal racks in the State of Washington. The taxes imposed at the terminal rack are remitted to the DOL.

The taxes on motor vehicle fuel, special fuel, and aviation fuel are each imposed pursuant to separate RCW chapters. These different chapters have been separately amended over time, and thus differ in a variety of ways.

**Summary:** The statutory definitions are amended to reflect the consolidation of the motor vehicle and special fuel tax (fuel tax) statutes. The imposition of the fuel taxes is modified for the same purpose, and is also amended to reflect: (1) a simplified license structure (which is also implemented throughout the consolidated statutes), and (2) the imposition of the fuel tax when fuel enters the state outside the bulk transfer system. The establishment of liability for the fuel taxes is also consolidated in a single

section, and the DOL is granted the authority to calculate tax rates related to international fuel tax agreements.

The transactions where the purchaser is exempt from the payments of fuel taxes are consolidated into a single section. The information and investigations related to applications for licenses for fuel distribution are consolidated, and the requirement that applicants for fuel tax licenses submit fingerprint cards and financial statements to the DOL is removed. The ability of the DOL to suspend, revoke, or deny a license is also included in a single section. The exemptions from fuel taxes are placed in a single section, along with certain items that were previously refunds.

Stocks of raw gasoline, gasoline stock, diesel oil, kerosene, kerosene distillates, casing head gasoline, and other petroleum products that may be used in the compounding, blending, or manufacturing of fuel are added to the record requirements imposed on persons importing, manufacturing, refining, transporting, blending, or storing fuel.

In general, the penalty rate structure is unchanged, except for failure to file a tax return and failure to timely pay taxes, which are equalized at the higher level already in place for special fuel and aircraft fuel taxes. A licensee who has been assessed a penalty for nonpayment of taxes is granted the ability to request a hearing regarding the assessment. The process for investigation of tax obligations, obtaining liens, providing notifications regarding delinquencies, and seizures and sales for delinquencies is simplified and consolidated. The unlawful acts and penalties related to fuel taxes are also consolidated in a single section.

New statutory sections related to fuel taxes are created, including ones that involve the following areas:

- bonding requirements for licensees;
- notifications regarding business status;
- penalties for violations for dyed special fuel;
- handling loss deductions;
- refunds to the aeronautics account; and
- payment of taxes by a nonlicensee.

The statutes governing the imposition and collection of aviation fuel taxes are created and modified in a variety of ways, in order to make the statutes more consistent with the fuel tax statutes, including the following:

- related definitions are consolidated in a single section;
- tax exemptions are consolidated in a single section;
- licensing requirements are modified so that the requirements are more consistent with the fuel tax requirements;
- the DOL is granted authority similar to the authority it has for fuel taxes regarding administration and enforcement, assessments, penalties and interest, delinquency, and the denial, suspension, or revocation of licenses;



## SHB 1886

- bonding requirements are established for licensees;
- standards regarding the computation, payment, collection, and refunding of taxes are established;
- notifications regarding business status are mandated; and
- standards and requirements are established for monthly reporting by licensees of fuel inventory, receipts, and distributions.

The RCW chapter governing the collection of motor vehicle fuel tax is repealed.

A variety of statutes containing references to the fuel taxes are modified to reflect the consolidation of the fuel tax statutes.

### Votes on Final Passage:

House	94	3	
Senate	46	2	(Senate amended)
House	93	2	(House concurred)

**Effective:** July 1, 2015

## SHB 1886

C 45 L 13

Concerning the recoverable costs of the department of agriculture under chapter 16.36 RCW.

By House Committee on Agriculture & Natural Resources (originally sponsored by Representatives Chandler and Haigh).

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

**Background:** The Department of Agriculture is permitted to collect money to recover the reasonable costs of purchasing, printing, and distributing official individual identification devices or methods, regulatory forms, and other supplies pertaining to the inspection, transport, and health of animals.

The funds recovered must be deposited in the Animal Disease Traceability Account and may be used to carry out animal disease traceability activities for cattle and to compensate data and fee collection costs.

**Summary:** The Department of Agriculture is permitted to recover costs for data entry and processing related to animal health documents that facilitate disease control and traceability. All related funds must be deposited into the Animal Disease Traceability Account.

### Votes on Final Passage:

House	97	0
Senate	47	0

**Effective:** July 28, 2013

## EHB 1887

C 326 L 13

Ordering consideration of increased educational options under vocational rehabilitation plans.

By Representatives Sawyer, Ryu, Green and Freeman.

House Committee on Labor & Workforce Development  
House Committee on Appropriations Subcommittee on Health & Human Services

Senate Committee on Commerce & Labor

**Background:** One of the primary purposes of the Industrial Insurance Act is to enable injured workers to become employable at gainful employment. The Department of Labor and Industries (Department) pays, or directs self-insurers to pay, the costs of vocational rehabilitation services when these services are necessary and likely to enable the injured worker to become employable at gainful employment.

The injured worker's vocational rehabilitation generally must be within the allowable plan approved by the Department and based on specific return-to-work priorities listed in statute. Priorities include returning the worker to the previous job or a new job with the same employer, placing the worker with a new employer, self-employment based on transferable skills, or retraining.

In 2007 the Legislature created a Vocational Rehabilitation Pilot Program for vocational rehabilitation plans approved between January 1, 2008, and June 30, 2013. Among other policy provisions, the pilot program created the Vocational Rehabilitation Subcommittee made up of representatives from business and labor. The subcommittee provides input and oversight of the pilot program and makes recommendations to the Department and the Legislature on any statutory changes needed.

**Summary:** The Vocational Rehabilitation Subcommittee must consider options that, under limited circumstances, would allow injured workers to attend baccalaureate institutions under their vocational rehabilitation plans. By December 31, 2013, the subcommittee must provide recommendations to the Department and the Legislature on statutory changes needed to develop these educational options.

### Votes on Final Passage:

House	95	2
Senate	48	0

**Effective:** July 28, 2013

**SHB 1889**

C 46 L 13

Concerning the fruit and vegetable district fund.

By House Committee on Appropriations Subcommittee on General Government (originally sponsored by Representatives Chandler and Blake).

House Committee on Appropriations Subcommittee on General Government

Senate Committee on Ways & Means

**Background:** Fruit and Vegetable District Funds. The Fruit and Vegetable Inspection Account (Inspection Account) contains all fees collected by the Washington State Department of Agriculture (WSDA) to recover the costs of inspections or certifications of fruits and vegetables. Funds in the Inspection Account are to be used for the WSDA's Fruit and Vegetable Inspection Program.

Washington is divided into two fruit and vegetable inspection districts. Each district has an individual district fund within the larger Inspection Account. If the district fund contains a certain amount of money, the inspection fees for that district are reduced.

Plant Pest Account. The Plant Pest Account (Pest Account) is used by the WSDA as a receptacle for any fees collected for special inspections, plant diagnostic services, pest control activities, or special certifications requested by growers, farmers, or other interested parties. These services may be requested of the WSDA to facilitate the movement or sale of various agricultural products, including forest products, floricultural products, and horticultural products.

Rhagoletis Pomonella Control. Horticultural pest and disease boards are formed at the county level to do control work for pests that impact commercial fruit crops. The WSDA performs surveys to detect the presence of pests but the control work is performed by local horticultural pest and disease boards.

*Rhagoletis pomonella*, commonly referred to as the apple maggot, but also known as the railroad worm, is a native insect to North America. It is considered to be a pest of several fruits, including apples.

In 1997 \$200,000 of tree fruit inspection fees collected in one of the fruit and vegetable inspection districts was transferred from the Inspection Account to the Pest Account. In 2009 the Legislature authorized the same district to transfer an additional \$150,000 with the stipulation that any amount still available as of June 30, 2013, must be transferred back to the Inspection Account and credited to the fruit and vegetable inspection district that contains Yakima County. Monies from both transfers were required to be used for the control of *Rhagoletis pomonella* within the district.

**Summary:** An additional \$150,000 is authorized to be transferred from the Inspection Account to the Pest Account by September 1, 2013. The funds involved in this transfer must originate from tree fruit inspection fees col-

lected in one of the fruit and vegetable inspection districts, and be used for the control of *Rhagoletis pomonella* within the district. The fruit and vegetable inspection district affected by the transfer includes Asotin, Benton, Clark, Columbia, Cowlitz, Franklin, Garfield, Kittitas, Klickitat, Lewis, Pacific, Skamania, Wahkiakum, Walla Walla, Whitman, and Yakima counties.

The reference to where unexpended portions of the 2009 transfer are placed is removed. The purposes of the transfers expire on July 1, 2020.

**Votes on Final Passage:**

House	97	0
Senate	48	0

**Effective:** June 30, 2013

**HB 1903**

C 244 L 13

Providing unemployment insurance benefit charging relief for part-time employers who continue to employ a claimant on a part-time basis and the claimant qualified for two consecutive claims with wages attributable to at least one employer who employed the claimant in both base years.

By Representatives Fitzgibbon and Ryu.

House Committee on Labor & Workforce Development  
Senate Committee on Commerce & Labor

**Background:** An individual is eligible to receive unemployment benefits if he or she: (1) worked at least 680 hours in covered employment in his or her base year; (2) was separated from employment through no fault of his or her own or quit work for good cause; and (3) is able to work and is actively searching for suitable work. The base year is generally the first four of the last five completed calendar quarters before the claimant applied for benefits. A worker who was separated from a full-time job but continues to work at a part-time job and who otherwise meets the eligibility criteria is eligible for reduced benefits, and the part-time employer may be a base year employer.

Most employers pay contributions (payroll taxes) to finance unemployment benefits. An employer's tax rate is experience rated so that the rate is determined, in part, by the benefits paid to its employees. Benefits are charged to base year employers on a pro rata basis according to the amount of wages paid to the claimant by the employer in the claimant's base year compared to the wages paid by all employers. Some benefits, however, are pooled within the unemployment system or "socialized."

An employer may request relief from charging under specified circumstances. A part-time employer who continues to employ a claimant may request relief from charging if the claimant was concurrently employed by and subsequently separated from at least one other base year employer. An employer requesting relief must do so with-

## HB 1937

in 30 days of notification of the initial determination of the claim.

The Shared-Work Program provides for the payment of partial benefits in situations where employers elect to retain employees at part-time work rather than lay off employees.

**Summary:** An additional basis allowing an employer to request relief from benefit charges is established. A part-time employer who continues to employ a claimant who qualified for two consecutive claims is eligible for relief if the claimant is employed on a regularly scheduled permanent basis and wages were attributable to at least one employer who employed the claimant in both base years. Benefit charge relief is not available to shared-work employers.

**Votes on Final Passage:**

House	87	10
Senate	48	0

**Effective:** January 1, 2014

## HB 1937

C 47 L 13

Prohibiting a person from selling or giving a vapor product designed solely for smoking or ingesting tobacco to a minor.

By Representatives Ross, Jenkins, Angel, Green, Harris, Cody, Morrell, Hope, Ryu, Schmick and Moscoso.

House Committee on Government Accountability & Oversight

Senate Committee on Law & Justice

**Background:** A person is guilty of a gross misdemeanor if he or she participates in the selling or giving to a person under 18 years of age any type of tobacco-related product, including the following:

- cigar;
- cigarette;
- cigarette paper or wrapper; or
- tobacco in any form.

In recent years a new smoking product (vapor product) has been introduced that, generally, has the appearance of a cigarette and functions as a means of inhaling vapor that contains nicotine. However, unlike a cigarette, this vapor product neither contains tobacco nor involves combustion. Rather, it is a battery powered electronic device that heats a liquid nicotine solution, thus generating nicotine-laced vapor that can be inhaled by the user.

**Summary:** "Vapor products" are added to the list of tobacco-related products that if sold or given to a person under the age of 18 makes the seller or giver guilty of a gross misdemeanor.

"Vapor product" means a noncombustible tobacco-derived product containing nicotine that employs a mechan-

ical heating element, battery, or circuit, regardless of shape or size, that can be used to heat a liquid nicotine solution contained in cartridges.

**Votes on Final Passage:**

House	96	0
Senate	46	1

**Effective:** July 28, 2013

## SHB 1941

C 226 L 13

Concerning the adjudication of tolls and accompanying civil penalties.

By House Committee on Transportation (originally sponsored by Representatives Habib, Clibborn and Springer).

House Committee on Transportation

Senate Committee on Transportation

**Background:** The Washington State Department of Transportation (WSDOT) uses a photo toll system on several toll facilities within the state, including the State Route 520 Floating Bridge, the Tacoma Narrows Bridge, and the State Route 167 High Occupancy Toll Lanes Project.

Drivers are automatically assessed a toll for using any of these toll facilities. If the driver does not have a "Good to Go" pass with the WSDOT, the registered owner of the vehicle receives a toll bill in the mail. If the registered owner fails to pay this toll bill within 80 days, it becomes a toll violation. A civil penalty of \$40 may be assessed for a toll violation.

A registered owner may contest or dispute a civil penalty within 15 days of the date of the notice of civil penalty, and the registered owner may request an in-person administrative hearing. During an administrative hearing, the WSDOT has the burden of establishing that the toll violation occurred; however, it is not a defense to a toll violation and notice of civil penalty that a person other than the registered owner was driving the vehicle at the time or that the person did not know to pay a toll.

**Summary:** In challenging a civil penalty for failing to pay a toll bill, the WSDOT must provide a registered owner an opportunity to present evidence of certain valid mitigating circumstances. In response to such evidence, the adjudicator may reduce or dismiss the civil penalty. Additionally, the envelopes in which toll charge bills and notices of civil penalties are sent must be marked as time sensitive and related to a toll violation. Finally, the WSDOT must provide an annual report to the transportation committees of the Legislature regarding instances of a judge reducing or dismissing a civil penalty.

**Votes on Final Passage:**

House	98	0
Senate	47	0 (Senate amended)
House	97	0 (House concurred)

**Effective:** July 28, 2013

**ESHB 1944**

C 135 L 13

Addressing vehicle license plate and registration fraud.

By House Committee on Transportation (originally sponsored by Representative Haler).

House Committee on Transportation  
Senate Committee on Transportation

**Background:** The Department of Licensing (DOL) must furnish to all persons making satisfactory application for vehicle registration two identical license plates, each containing the license plate number, or one plate if the vehicle is of the type that only requires it to have a single license plate. The license plates must be attached conspicuously at the front and rear of the vehicle if two plates have been issued. It is unlawful to: display a license plate that was not issued by the DOL on the front or rear of any vehicle; display on any vehicle a license plate that has been changed, altered, or disfigured, or become illegible; use a holder, frames, or other materials that change, alter, or make a license plate illegible; or operate a vehicle unless a valid license plate or plates are attached to the vehicle as required by statute. These are traffic infractions with a fine amount of \$124.

Transfer of a license plate or plates between vehicles before application has been made and approved by the DOL is a traffic infraction subject to a fine not to exceed \$500.

**Summary:** It is unlawful for a person:

- to display a license plate that does not match or correspond with the registration of the vehicle unless the vehicle is inventory for a vehicle dealer; and
- to have an installed license plate-flipping device on a vehicle, to use technology to flip a license plate, or to use technology to change the appearance of a license plate on a vehicle.

It is also unlawful for a person or entity to sell a license plate-flipping device or sell technology that will change the appearance of a license plate. A person who switches or flips license plates on a vehicle physically, utilizes technology to flip or change the appearance of a license plate on a vehicle, sells a license plate-flipping device or technology that will change the appearance of a license plate, or falsifies a vehicle registration, in addition to any traffic infraction, is guilty of a gross misdemeanor punishable by confinement of up to 364 days in the county jail and a fine of \$1,000 for the first offense, \$2,500 for a second offense, and \$5,000 for any subsequent offense, which may not be suspended, deferred, or reduced.

A vehicle that is found with an installed license plate-flipping device or technology to change the appearance of a license plate may be impounded by a law enforcement

officer as evidence. Citizens are encouraged to notify law enforcement immediately if they observe a vehicle with a license plate-flipping device.

"License plate-flipping device" is defined as a device that enables a license plate on a vehicle to be changed to another license plate either manually or electronically. This also includes technology that is capable of changing the appearance of a license plate to appear as a different license plate.

**Votes on Final Passage:**

House	87	11
Senate	48	0

**Effective:** July 28, 2013

**ESHB 1947**

C 6 L 13 E2

Concerning the operating expenses of the Washington health benefit exchange.

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

House Committee on Appropriations  
Senate Committee on Health Care  
Senate Committee on Ways & Means

**Background:** Insurance Premium Tax. With some exceptions, insurance companies must pay a 2 percent insurance premium tax to the state. The tax is imposed on the total amount of all premiums and prepayments for health care services collected or received by the insurer during the preceding calendar year. Insurers must prepay their tax obligations. By June 15 insurers must pay 45 percent of their tax obligations. On September and December 15 they must pay 25 percent. Revenues from the tax are deposited in the State General Fund.

Expenditure Limit. The State General Fund is subject to a spending limit. The State Expenditure Limit Committee (Committee) was established in 2000 for the purpose of determining and adjusting the state expenditure limit. Each November, the Committee adjusts the limit for the previous and current fiscal years, and projects a limit for the following two years.

If the cost of a state program or function is shifted from the State General Fund to another source of funding, or if funds are transferred from the State General Fund to another fund or account, the Committee must lower the expenditure limit to reflect the shift.

Health Benefit Exchange. The Washington Health Benefit Exchange (Exchange) will be an online marketplace for individuals, families, and small businesses in Washington to compare and enroll in health insurance coverage and gain access to tax credits, reduced cost sharing, and public programs such as Medicaid. The Exchange

will begin enrolling consumers on October 1, 2013, for health insurance coverage beginning on January 1, 2014.

The Exchange was established as a self-sustaining public-private partnership that is separate and distinct from the state. To be "self-sustaining," the Exchange must be capable of operating without direct state tax subsidy. Self-sustaining sources of revenue include federal grants, federal premium tax subsidies and credits, charges to health carriers, and premiums paid by enrollees.

Development of the Exchange is funded primarily through federal grants that end before 2015. The Exchange was directed to report to the Governor and the Legislature with recommendations for development of sustainable funding for administration of the Exchange starting in 2015. The Exchange provided three options: increase the current insurance premium tax, apportion to the Exchange the premium taxes collected on all premiums for health care services attributable to the Exchange, and/or assess a service charge on plans sold through the Exchange.

**Washington State Health Insurance Pool.** The Washington State Health Insurance Pool (WSHIP) is the high risk health insurance pool for the state of Washington. It offers insurance coverage for state residents who are rejected for coverage in the individual market. The WSHIP is subsidized through an assessment on insurance plans.

**Health Benefit Exchange Account.** The Health Benefit Exchange Account (Account) holds all receipts from federal grants received under the federal Affordable Care Act (ACA), and funds in the account may only be used for purposes consistent with those grants. The Exchange may authorize expenditures from the Account. The Account expires on January 1, 2014.

**Business and Occupation Tax.** Almost all businesses located or doing business in Washington are subject to the state business and occupation (B&O) tax. The B&O tax is imposed on the gross receipts of business activities conducted within the state. Revenues are deposited in the State General Fund.

The classification and rate of the B&O tax is based on the type of business activity. The most common types of activities include retailing, wholesaling, manufacturing, and services and other activities, such as sales commissions. There are several rate categories, and a business may be subject to more than one B&O tax rate, depending on the types of activities conducted. There are many exemptions for specific types of business activities, and certain deductions and credits are permitted under the B&O tax statutes.

**Summary: Insurance Premium Tax.** Beginning January 1, 2014, insurance premium taxes collected on medical and stand-alone dental plans offered through the Exchange must be deposited in the Account.

**Expenditure Limit.** The requirement that the Committee must reduce the expenditure limit to reflect any transfers from the State General Fund to other funds or

accounts does not apply to the dedication of insurance premium taxes to the Account.

**Health Benefit Exchange.** "Self-sustaining" is defined to mean capable of operating with revenue attributable to the operation of the Exchange, and insurance premium taxes are included in the list of self-sustaining sources.

Beginning January 1, 2015, the Exchange may impose an assessment on health and dental plans sold through the Exchange in an amount necessary to fund the operations of the Exchange in the following calendar year. The Exchange may only impose the assessment if the expected insurance premium taxes and other funds deposited in the Account are insufficient to fund the Exchange's operations in the following calendar year at the level appropriated by the Legislature in the omnibus appropriations act.

The Exchange, in collaboration with the issuers, the Health Care Authority, and the Insurance Commissioner, must establish a fair and transparent process for calculating the assessment amount. The assessment only applies to issuers that offer coverage in the Exchange and only for those market segments offered. The assessment must be based on the number of enrollees in qualified health plans and stand-alone dental plans in the Exchange for a calendar year. The assessment must be established on a flat dollar and cents amount per member per month, and the assessment for dental plans must be proportional to the premiums paid for those plans. The Exchange must notify issuers of the assessment amount on a timely basis and establish an appropriate assessment reconciliation process that is administratively efficient. The assessment will be due in quarterly installments. The Exchange must establish a procedure to allow issuers to have grievances reviewed by an impartial body and reported to the Exchange Board. The Exchange must establish a procedure for enforcement of the assessment. The Exchange must deposit proceeds from the assessment in the Account.

Health benefit plans or stand-alone dental plans may identify the amount of the assessment to enrollees, but the plans may not bill enrollees for the amount of the assessment separately from premiums.

The Exchange must offer all qualified health plans (QHP) through the Exchange, and it may not add criteria for certification of QHPs without specific statutory direction.

The Exchange must monitor enrollment and provide periodic reports that are available on its website. The Exchange must also report quarterly to the Joint Select Committee on Health Care Oversight on budget expenses and operations.

By July 1, 2016, the State Auditor must conduct a performance review of the cost of Exchange operations and make recommendations to the Exchange and the health care committees of the Legislature addressing improvements in cost performance and adoption of best practices. The review must include an evaluation of the potential

cost and customer service benefits of regionalization with other state exchanges or partnership with the federal government. The Exchange must pay for the cost of the review.

**Washington State Health Insurance Pool.** The WSHIP Administrator is directed to continue collecting assessments for the high risk pool in 2014. The Administrator will also assess an additional amount specified in the operating budget for transfer to the Account to assist with the transition of enrollees from the WSHIP to the Exchange. The WSHIP assessment may not exceed the 2013 assessment level.

**Health Benefit Exchange Account.** Moneys in the Account may only be spent after appropriation, and expenditures may only be used for Exchange operations and the identification, collection, and distribution of premium taxes that go into the Account.

Insurance premium taxes and Exchange assessments are included in the list of funds that must be deposited in the Account.

The Legislature may transfer excess funds from the Account to the State General Fund in the 2013-15 fiscal biennium.

The expiration date of the Account is removed.

**Business and Occupation Tax.** The Exchange is exempt from the B&O tax until July 1, 2023. The exemption applies both prospectively and retrospectively.

**Votes on Final Passage:**

House 69 29

**First Special Session**

House 68 25

**Second Special Session**

House 61 25

Senate 31 16 (Senate amended)

House 68 24 (House concurred)

**Effective:** September 28, 2013

## SHB 1961

C 7 L 13 E2

Extending the expiration date for judicial stabilization trust account surcharges.

By House Committee on Appropriations (originally sponsored by Representatives Pedersen, Rodne, Hudgins, Hunter and Ryu; by request of Board For Judicial Administration).

House Committee on Appropriations  
Senate Committee on Ways & Means

**Background:** Superior and district courts are authorized by statute to collect filing fees and other fees for court services. Revenue from superior court filing fees is split, with 46 percent going to the state and the remainder going to the county and the county or regional law library. Revenue from district court filing fees is split, with 32 percent going to the state and the remainder going to the county and the county or regional law library.

Legislation enacted in 2009 authorized temporary surcharges on filing fees in superior and district courts. Superior court filings were subject to a \$30 surcharge, except filings of an appeal from a court of limited jurisdiction, where the surcharge was \$20. District court filings were subject to a \$20 surcharge, except small claims filings, which were subject to a \$10 surcharge. All of the revenue from the surcharges was remitted to the state.

Legislation enacted in 2011 extended the surcharges until June 30, 2013, and split the revenue from the surcharges between the state and the county collecting the fee, with 75 percent going to the state and 25 percent going to the county. Local revenue going to the counties from the surcharges must be used to support local trial courts and court-related costs.

Legislation enacted in 2012 generally increased the temporary surcharges on filing fees by \$10. The surcharges are set to expire on July 1, 2013.

The state revenue from surcharges must be remitted to the State Treasurer for deposit into the Judicial Stabilization Trust Account (Account). Expenditures from the Account may only be used for the support of judicial branch agencies. During the 2011-13 biennium, an estimated \$10.6 million will be deposited into the Account. Funds from the Account are appropriated for expenditures in the Administrative Office of the Courts, the Office of Public Defense, and the Office of Civil Legal Aid.

**Summary:** The expiration date for surcharges on superior court and district court filings is extended until July 1, 2017.

**Votes on Final Passage:**

House 91 5

**First Special Session**

House 87 6

**Second Special Session**

House 78 8

Senate 27 21

**Effective:** July 1, 2013

## ESHB 1968

C 227 L 13

Requiring the chief of the Washington state patrol to adopt licensing provisions for certain before and after-school programs in school buildings.

By House Committee on Appropriations (originally sponsored by Representatives Kagi, Farrell, Pollet and Fey).

House Committee on Appropriations  
Senate Committee on Governmental Operations

**Background:** The Department of Early Learning (DEL) regulates child care in Washington. The DEL licenses

three categories of child care providers: family homes, child care centers, and school-age centers. Separate sets of licensing rules are used to regulate each type of provider. Some features related to each provider type are described below:

- Family-home child care providers care for children up to 11 years of age in a home setting.
- Childcare centers provide care for children up to 12 years of age. These centers operate in commercial, privately-owned, school, or faith-based facilities.
- School-age centers care for children ages 5 through 12. These centers usually operate in a school setting, but may be located in commercial, privately-owned, or faith-based facilities.

Child care centers and school-age centers may operate in a variety of facilities. The DEL's licensing rules operate in accordance with accepted fire and building code standards that apply to any given facility type.

The Washington State Fire Marshal, also known as the Director of Fire Protection, is organized within the Washington State Patrol (WSP). The Fire Marshal's Office is responsible for providing fire and life safety inspections in licensed care occupancies, including nursing homes, boarding homes, group homes, hospitals, and childcare centers. The WSP, through the Fire Marshal's Office, has the statutory responsibility to issue a certificate of compliance to applicants for licensure who comply with minimum standards. If an agency, program, or child care facility does not receive a certificate of compliance, the agency, program, or childcare facility cannot be licensed by the DEL.

**Summary:** The Washington State Patrol (WSP) is required, through the state Fire Marshal's Office, to adopt licensing standards that allow children who attend classes in a school building during school hours to remain in the same building to participate in before-school or after-school programs. The WSP is also directed to adopt licensing standards to allow participation in before-school and after-school programs by children who attend other schools and are transported to attend such before-school and after-school programs.

**Votes on Final Passage:**

House	97	0	
Senate	48	0	(Senate amended)
House	95	0	(House concurred)

**Effective:** July 28, 2013

Concerning communications services reform.

By House Committee on Appropriations (originally sponsored by Representatives Carlyle and Nealey).

House Committee on Finance  
House Committee on Appropriations  
Senate Committee on Ways & Means

**Background:** Enhanced 911 Excise Tax on Prepaid Wireless. Counties are currently authorized to impose a 70 cent per line tax on landline, cellular, and voice over internet protocol (VoIP) telephone services. The state is authorized to impose a 25 cent per line tax on these same services. The tax is referred to as the enhanced 911 (E911) excise tax, which is used to fund emergency communications systems. While prepaid wireless is not explicitly addressed in statute, in 2010 the Washington Supreme Court ruled that prepaid wireless is subject to the E911 excise tax.

Landline Telephone Sales and Use Tax Exemption. In 1983 state and local retail sales tax was extended to telephone services. However, an exemption was provided for individuals "subscribing to a residential class of telephone service." The Department of Revenue (DOR) has interpreted this exemption to apply only to residential telephone service that is regulated by the Washington Utilities and Transportation Commission (UTC). The UTC regulates the rates and services of telephone companies providing landline telephone services. However, the UTC does not regulate cable services, cellular phone services, VoIP services, or internet service provider services.

In 2007 the DOR assessed Sprint Spectrum LP (Sprint) with retail sales tax on wireless telephone services sold to non-business customers for the audit period July 1, 1999, through December 31, 2002. (Several other taxes were also in dispute.) The Board of Tax Appeals (BTA) upheld the assessment. However, on April 8, 2011, a Washington superior court reversed the decision by the BTA by ruling that Sprint's sales of cellular telephone services to non-business customers qualify for the residential telephone service exemption.

Washington Telephone Assistance Program and Telecommunications Relay Service. Created in 1987, the Washington Telephone Assistance Program (WTAP), provides discounted wireline telephone services to low-income residents of the state. The program is operated by the Department of Social and Health Services (DSHS) and provides a reduced monthly charge for basic telephone service, discounts on connection fees, waivers of deposits for local service, and community voicemail. The program is currently funded by a monthly 14 cent excise tax on each switch telephone line in the state. The tax does not apply to companies providing wireless and VoIP telecommunications services. The DOR determines the tax rate

necessary to fund the program, but the rate may not exceed 14 cents per month for each switched telephone line. The fiscal year (FY) 2013 tax rate is 14 cents per switched line. Up to 8 percent of the receipts go to the Department of Commerce for costs of providing community service voice mail services.

The Telecommunications Relay Service (TRS) tax is used by the DSHS Office of Deaf and Hard of Hearing to provide telecommunications equipment and services to persons with a hearing or speech impairment. The TRS tax rate may be up to 19 cents per month for each switched line. The actual rate is computed annually by the DOR, based on budgetary information submitted by the DSHS Office of Deaf and Hard of Hearing. The FY 2013 tax rate is 17 cents per switched telephone line.

Universal Services Fund and Intercarrier Compensation. Universal service is the long-standing policy of the United States and the State of Washington to enable every American, regardless of location, to have access to affordable high-quality telephone and, more recently, internet services. The federal government operates a universal service fund (FUSF) that supports the construction and maintenance of national telecommunications infrastructure. The FUSF was substantially expanded with the passage of the federal Telecommunications Act of 1996.

The FUSF program consists of four separate programs: (1) the High Cost Program; (2) the Low Income Program; (3) the School and Libraries Program; and (4) the Rural Health Care Program. The net goal of the High Cost Program is to keep telephone service affordable for customers in areas where, absent the subsidy, telephone service would be dramatically more expensive than the national average. A complex system of fees, surcharges, and subsidies supports telephone companies in rural and remote areas.

On October 27, 2011, the Federal Communication Commission (FCC) approved a six-year transfer process that would transition money from the FUSF High Cost Program to a new \$4.5 billion a year Connect America Fund for broadband internet expansion, effectively putting an end to the FUSF High Cost Program by 2018.

Intercarrier compensation refers to the charges that one carrier pays to another carrier to originate, transport, and/or terminate telecommunications traffic. Intercarrier compensation payments are governed by a complex system of federal and state rules. There are two major forms of intercarrier compensation: access charges and reciprocal compensation.

Access charges generally apply to calls that begin and end in different local calling areas. Interstate access charges apply to calls that originate and terminate in different states, and intrastate access charges apply to calls that originate and terminate in different local calling areas within the same state. The FCC oversees interstate access charge rates, and the states oversee intrastate access charge rates. Reciprocal compensation generally applies to calls that begin and end within the same local calling area.

The FCC is substantially modifying intercarrier compensation by moving to a system in which almost no money will be exchanged between carriers that exchange traffic. At the end of the transition, carriers will be required to recover all of their costs from their own customers and will not be permitted to impose charges on originating carriers.

**Summary:** Enhanced 911 Excise Tax on Prepaid Wireless. The state and county E911 excise taxes must be collected by the seller of a prepaid wireless telecommunications service for each retail transaction occurring in Washington at the point of sale. Taxes on prepaid wireless must be separately stated on any sales invoice. Sellers of prepaid wireless telecommunications service are subject to the same administrative provisions as companies providing wireline, wireless, and VoIP telecommunications services. Until July 1, 2018, a seller of prepaid wireless telecommunications service may charge an additional 5 cents per retail transaction as compensation for the cost of collecting and remitting the tax.

Landline Telephone Sales and Use Tax Exemption. The state and local retail sales and use tax exemption for residential telephone services is eliminated. The state and local sales tax exemption for coin-operated telephone service is also repealed. There is an exemption for VoIP telephone services provided by a cable company prior to the effective date of the bill.

Washington Telephone Assistance Program and Telecommunications Relay Service. The WTAP and TRS excise taxes are eliminated, and the programs are to be funded by biennial general fund appropriations.

The DSHS must enter into an agreement to provide operational support to the Washington Information Network 211 organization subject to legislative appropriation.

Universal Services Fund. A state universal communications services program (Program) is established on July 1, 2014, and is set to expire on July 1, 2019.

The Program is funded by legislative appropriations to a new universal communications services account. The maximum amount appropriated each year may not exceed \$5 million. A communications provider is eligible to receive distributions from the account if: (1) the communications provider has fewer than 40,000 lines in Washington; (2) the customers of the provider are at risk of rate instability or service interruptions absent distributions to the provider; and (3) the provider meets any other criteria established by the UTC.

The UTC must report to the Legislature by December 1, 2017, as to the adequacy of funding under the Program and the potential impacts on carriers and customers when the Program terminates.

**Votes on Final Passage:**

House	74	22
<u>First Special Session</u>		
House	74	18



## SHB 1982

### Second Special Session

House 77 15  
Senate 36 11

**Effective:** August 1, 2013  
January 1, 2014 (Sections 102-106)  
July 1, 2014 (Sections 201-206, 208, 209, and 211)

### SHB 1982

C 136 L 13

Eliminating lottery games that generate insufficient net revenue.

By House Committee on Appropriations (originally sponsored by Representative Hunter).

House Committee on Appropriations  
Senate Committee on Ways & Means

**Background:** State Lottery. The Washington Lottery (Lottery) was established in 1982 to produce revenues for the state. Proceeds from lottery revenues are deposited into the State Lottery Account to support lottery operations and also for specific beneficiaries. Lottery beneficiaries include:

- the Washington Opportunity Pathways Account;
- counties for payment of stadium bonds;
- problem gambling education;
- Veterans Innovation Program;
- economic development; and
- the State General Fund.

Legislation enacted in 2010 established the Washington Opportunity Pathways Account, and directed all remaining net revenues from the State Lottery Account to the new account. Previously, lottery revenues had been directed to the Education Construction Account. During the 2009-11 biennium, lottery funds were redirected from the Education Construction Fund to the State General Fund.

Veterans Raffle. Legislation enacted in 2011 established an annual Veterans Day Raffle. The Lottery Commission was directed to conduct an annual statewide raffle to benefit veterans and their families. All revenues received from the sale of the tickets, less amounts paid out in prizes and actual administrative expenses related to the veterans lottery games, must be deposited into the Veterans Innovations Program (VIP) Account for purposes of serving veterans and their families. The raffle generated approximately \$270,000 in net revenues during fiscal year 2012. However, in fiscal year 2013, the Veterans Day Raffle did not generate net revenues for distribution to the VIP Account.

Veterans Innovations Program. In 2006 the Legislature established the VIP within the Department of Veterans Affairs. The purpose of the VIP is to provide crisis and emergency relief and education, training, and employment

assistance to veterans and their families. The VIP terminates on June 30, 2016.

**Summary:** The requirement for the Lottery to conduct an annual Veterans Day lottery raffle is repealed. Transfers to the VIP Account from the raffle are eliminated. Obsolete transfers from the State Lottery Account to the Education Construction Fund and for payment of bonds for Safeco Field are removed.

### Votes on Final Passage:

House 96 0  
Senate 44 3

**Effective:** July 28, 2013

## HB 2042

C 3 L 13

Modifying the nursing facility medicaid payment system by delaying the rebase of certain rate components and extending certain rate add-ons.

By Representatives Cody, Hunter and Sullivan.

House Committee on Appropriations  
Senate Committee on Ways & Means

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

The Medicaid nursing home payment system is administered by the Department of Social and Health Services (DSHS). The Medicaid rates are unique to each facility and are generally based on the facility's allowable costs, occupancy rate, and client acuity (called the "case mix"). The nursing home payment rates are based on calculations for six different components: direct care, therapy care, support services, operations, property, and a financing allowance. Rate calculations for non-capital components (direct care, therapy care, support services, and operations) are based on actual facility cost reports and are typically updated biennially in a process known as rebasing. The capital components (property and financing allowance) are also based on actual facility cost reports but are rebased annually.

The direct care rate component represents approximately 50 percent of the total nursing facility payment and includes payment for direct care staff wages and benefits,

non-prescription medication, and medical supplies. This component is based on the case mix. The federal government requires use of the Minimum Data Set (MDS), which captures client data. Semi-annually, the DSHS reviews this data and adjusts facility payments based on the patient acuity of the clients being served.

The nursing facility payment system also incorporates several add-on rate adjustments. They include adjustments for facilities serving higher acuity clients since June 30, 2010 (acuity add-on) and for facilities with rates that are lower than the June 30, 2010, payment level (comparative add-on).

**Summary:** The rebase of non-capital nursing home rate components, as well as the implementation of a more recent version of the Minimum Data Set, is delayed from July 1, 2013, to July 1, 2015. Two rate add-ons, the comparative add-on and the acuity add-on, are scheduled to expire on June 30, 2015, instead of June 30, 2013.

**Votes on Final Passage:**

House 88 8

First Special Session

House 84 9

Second Special Session

House 76 10

Senate 41 7

**Effective:** July 1, 2013

**HB 2043**

C 5 L 13 E2

Temporarily suspending inflationary increases in educational employee compensation.

By Representatives Hunter and Sullivan.

House Committee on Appropriations

**Background:** Initiative 732 Cost-of-Living Adjustments. Initiative 732 (I-732) was approved by voters in the November 2000 general election. It required the state to provide an annual cost-of-living adjustment (COLA) for kindergarten through grade 12 (K-12) teachers and other public school employees, as well as community and technical college academic employees and classified employees at technical colleges. The COLA is based on the Seattle-area Consumer Price Index from the most recently completed calendar year.

The I-732 COLA has been suspended during three biennia since being approved by voters. The suspensions occurred during the 2003-05, 2009-11, and 2011-13 biennia. The I-732 COLA adjustments assumed in the 2013-15 maintenance level budget are 2.5 percent for the 2013-14 school year, and 1.8 percent for the 2014-15 school year.

National Board for Professional Teaching Standards Program. The National Board for Professional Teaching Standards (NBPTS) program provides an opportunity for

teachers to seek an advanced teaching credential by undertaking a rigorous application process. Once earned, the certification is valid for 10 years.

Washington is in its thirteenth year of participation in the NBPTS program. In 2000 Washington had 71 NBPTS-certified teachers. The Office of the Superintendent of Public Instruction projects 5,501 teachers will be certified in the 2013-14 school year, and approximately 575 teachers will become newly certified in the 2013-14 school year. Adjusting for inflation, the NBPTS certification bonus for the 2013-14 school year is \$5,510, up from \$5,090.

**Summary:** The I-732 COLAs are suspended for the 2013-14 and 2014-15 school years for both K-12 and applicable higher education employees. Inflation adjustments to the NBPTS certification bonus are also suspended for the 2013-14 and 2014-15 school years.

**Votes on Final Passage:**

Second Special Session

House 54 36

Senate 25 23

**Effective:** July 1, 2013

**HB 2044**

C 26 L 13 E2

Delaying the implementation of the family leave insurance program until funding and payment of benefits are authorized in law.

By Representatives Hunter and Sullivan.

House Committee on Appropriations

Senate Committee on Ways & Means

**Background:** In 2007 the Legislature enacted Engrossed Second Substitute Senate Bill 5659, which established a framework for a family leave insurance program. The Legislature delayed implementation of the family leave insurance program in 2009 and 2011.

Beginning on October 1, 2015, the family leave insurance program provides benefits of up to \$250 per week for up to five weeks to eligible employees who are unable to perform their regular or customary work due to the birth of a child or to care for a newly adopted child.

Beginning on September 1, 2016, the agency administering the program reports annually to the Legislature on program participation, premium rates, fund balances, and outreach efforts.

**Summary:** The October 1, 2015, implementation date for family leave insurance benefits is removed. Family leave insurance benefits will become payable when the Legislature has specifically appropriated funding and enacted an implementation date.

The September 1, 2016, due date for annual reports to the Legislature is removed. The administering agency will

begin submitting annual reports to the Legislature one year after the enacted implementation date of benefits.

**Votes on Final Passage:**

House 67 29

Second Special Session

House 70 19

Senate 38 10

**Effective:** September 28, 2013

## ESHB 2051

C 9 L 13 E2

Implementing basic education expenditures.

By House Committee on Appropriations (originally sponsored by Representatives Lytton, Hunter, Sullivan, Maxwell and Pollet).

House Committee on Appropriations

**Background:** Article IX, section 1 of the Washington Constitution provides that it is the paramount duty of the state to make ample provision for the education of all children residing within its borders. The courts have interpreted this to mean that the state must define a program of Basic Education and amply fund it. Legislation enacted in 2009 and 2010 provided for phased-in implementation of changes in both the Basic Education program and the funding to support it.

One of the programs within the statutory definition of Basic Education and funded by state appropriations for kindergarten through grade 12 (K-12) is the Transitional Bilingual Instruction Program (TBIP). The TBIP provides instructional support for students whose level of English language proficiency is determined to be sufficiently deficient to impair learning. This supplemental instruction is provided only for students who are eligible for and enrolled in the TBIP. Students' English language proficiency is measured using an annual statewide assessment. Once students are tested as proficient, they exit the TBIP.

The Education Legacy Trust Account (ELTA) was established in 2005 to receive dedicated tax revenues to support the K-12 school system, increase higher education enrollments and financial aid, and provide for other educational improvements.

The Public Works Assistance Account (PWAA) was established in 1985 to encourage local government self-reliance in meeting public works needs and assist in financing critical infrastructure projects. Loan repayments and revenues from three tax sources have historically been deposited into the PWAA:

- The Real Estate Excise Tax (REET) is imposed on the sale of real property. From the revenues of the REET, 6.1 percent is deposited in the PWAA and the remainder is deposited in the State General Fund and the City-County Assistance Account. Penalties for late

payments of the REET are deposited into the Housing Trust Fund.

- A Public Utility Tax is imposed on a variety of public utilities, including sewers, natural gas, water, and electricity. From the revenues of this tax, 20 percent of the revenue from water utilities and 60 percent from sewer utilities are deposited into the PWAA.
- A Solid Waste Collection Tax is imposed on garbage utilities. Until June 30, 2015, revenues from this tax are deposited into the State General Fund. In fiscal years 2016, 2017, and 2018, the revenues are evenly divided between the State General Fund and the PWAA. Thereafter, all revenues are deposited into the PWAA.

The Education Construction Fund (ECF) was established to provide state assistance for K-12 and higher education construction projects. From July 1, 2004, to July 1, 2009, all net lottery revenues allocated for education were deposited in the ECF. Legislation enacted in 2010 redirected the deposit of state lottery revenue from the ECF into the Opportunity Pathways Account and required the State Treasurer to transfer \$102 million each year from the State General Fund into the ECF. In recent years, including the current 2011-13 biennium, the transfers from the State General Fund have been suspended.

**Summary:** It is the Legislature's intent to fund a plan to carry out the reforms enacted in 2009 and 2010 legislation regarding Basic Education and to make the statutory changes necessary to support this plan.

The TBIP is expanded to include a requirement that school districts make a program of instructional support available for up to two years immediately after students exit the TBIP on the basis of their performance on the statewide English proficiency assessment, for those students who need assistance in reaching grade-level performance in academic subjects.

Certain revenues currently deposited into the PWAA are deposited into the ELTA through June 30, 2019:

- From July 1, 2013, through June 30, 2019, 2 percent of the REET is deposited into the PWAA, and 4.1 percent is deposited into the ELTA. Thereafter, 6.1 percent is deposited in the PWAA.
- From July 1, 2013, through June 30, 2019, the portion of the Public Utility Tax that is currently deposited into the PWAA is deposited into the ELTA. Thereafter, the Public Utility Tax is deposited into the PWAA.
- As under current law, the Solid Waste Collection Tax is deposited in the State General Fund through June 30, 2015. From July 1, 2015, through June 30, 2018, 50 percent is deposited into the ELTA rather than the PWAA. From July 1, 2018, through June 30, 2019, the Solid Waste Collection Tax is deposited into the ELTA, and thereafter it is deposited into the PWAA.

The requirement that the State Treasurer must annually transfer \$102 million from the State General Fund to the ECF is removed.

**Votes on Final Passage:**

Second Special Session

House	55	34
Senate	29	19

**Effective:** June 30, 2013 (Sections 5-8)  
 September 1, 2013 (Sections 2-4)  
 September 28, 2013

**EHB 2056**

C 116 L 13

Correcting the definition of THC concentration as adopted by Initiative Measure No. 502 to avoid an implication that conversion, by combustion, of tetrahydrocannabinol acid into delta-9 tetrahydrocannabinol is not part of the THC content that differentiates marijuana from hemp.

By Representatives Hurst and Condotta.

House Committee on Government Accountability & Oversight

**Background:** Two chemical compounds that are naturally present in the cannabis plant are delta-9 tetrahydrocannabinol (delta-9 THC) and tetrahydrocannabinolic acid (THCA). Delta-9 THC is the compound that provides the psychoactive effects of marijuana. In the cannabis plant THCA is the precursor of delta-9 THC.

To some degree, THCA converts to delta-9 THC over time with drying. However, progressive conversion of THCA to delta-9 THC occurs under intense heating, such as when the plant is smoked or baked.

Initiative 502 (I-502) changed the definition of marijuana under the Uniform Controlled Substances Act to specify that marijuana means all parts of the cannabis plant with a THC concentration greater than 0.3 percent on a dry weight basis. The I-502 then defined THC concentration to mean the percent of delta-9 THC content per dry weight of any part of the cannabis plant. Therefore, based on the definitions, marijuana means a plant with a delta-9 THC greater than 0.3 percent.

The definition of THC concentration does not take into account the total THC content, which means it is possible that some plants with less than 0.3 percent delta-9 THC but with a high total THC content (delta-9 THC plus THCA) would not meet the definition of marijuana.

**Summary:** The definition of THC concentration is amended to include the combined percent of delta-9 THC and THCA, regardless of moisture content. Therefore, when determining whether a substance is marijuana the total THC concentration could be considered.

**Votes on Final Passage:**

House	95	1
Senate	47	0

**Effective:** May 1, 2013

**HB 2058**

C 327 L 13

Requiring transparency in enacted state capital and transportation budget appropriations and expenditures.

By Representatives Hawkins, Riccelli and Bergquist.

**Background:** The State Budget and Accounting Act requires the Office of Financial Management (OFM) to maintain a comprehensive financial accounting and reporting system for all agencies of state government. This system accounts for revenues, expenditures, receipts, and disbursements, as well as statewide budget information.

The Legislative Evaluation and Accountability Program (LEAP) Committee was established in 1977 as the Legislature's independent source of information and technology. The LEAP Committee provides fiscal information and technology for developing budgets and communicating budget decisions, and tracking revenue, expenditure, and staffing activity.

In 2008 the Legislature directed the LEAP and the OFM to make publicly available a state expenditure information website that contains for the prior fiscal year: (1) state expenditures by fund or account; (2) expenditures by agency, program, and subprogram; (3) state revenues by major source; (4) state expenditures by object and subobject; (5) state agency workloads, caseloads, and performance measurements, and recent performance audits; and (6) state agency budget data by activity. This information is available on the LEAP's "Washington State Fiscal Information" website and must be updated as fiscal year data become available.

**Summary:** By January 1, 2014, current and future capital project and transportation project investments must be coded with geographic information that will permit the public to search the state expenditure information website and identify appropriation and expenditure data by legislative district, county, and agency project identifier.

The LEAP Committee must use existing resources to meet these requirements and update the state expenditures information website. The website must be easy to use, contain current and readily available data, and allow for review and analysis by the public. The LEAP Committee must test the website with potential users to ensure its accessibility and ease of comprehension.

**Votes on Final Passage:**

House	92	1
Senate	35	13

**Effective:** July 28, 2015

**EHB 2068**

C 27 L 13 E2

Concerning annexation of unincorporated territory within a city or town.

By Representative Takko.

Senate Committee on Governmental Operations

**Background:** Multiple methods for municipal annexations are authorized in state law. While code and noncode cities and towns have separate statutory requirements for governance and operation, the annexation methods they may employ are generally similar.

Code City Annexations of Unincorporated "Islands" of Territory - Effective until July 28, 2013. Among other permitted annexation methods, code cities are authorized to conduct certain annexations through a resolution of the city's legislative body. Neither voter nor property owner approvals are necessary for these annexations.

An example of this resolution-based authority is the island annexation method, a method that allows code cities, following the satisfaction of public notice and other procedural requirements, to annex qualifying unincorporated "islands" of territory containing residential property owners. Territory annexed through the island annexation method must comply with one of two sets of eligibility criteria. The territory:

- must contain fewer than 100 acres, with at least 80 percent of the boundaries of the area contiguous to the city; or
- may be of any size, with at least 80 percent of the boundaries of the area contiguous to the city if the city existed before June 30, 1994. Annexations conducted in accordance with this eligibility provision must be for areas that are within the same county and urban growth area, and the city must have been planning under the Growth Management Act as of June 30, 1994.

Both sets of eligibility criteria for the island annexation methods were amended in legislation adopted in 2013 that takes effect July 28, 2013.

Annexations of Territory Served by Fire Protection Districts - Interlocal Agreement Process. Code and noncode cities and towns may also annex territory served by one or more fire protection districts (fire district or districts) through ordinance-based interlocal agreement processes. Annexations occurring under these processes begin with the adoption of an interlocal agreement (a joint or cooperative action agreement between two or more public agencies) between the annexing city or town and the applicable county and fire districts.

The interlocal agreement must meet several requirements, including describing the boundaries of the territory proposed for annexation. The interlocal agreement also must contain policies and procedures for the participating

entities to undertake, and must delineate a statement of goals relating to specified topics, including:

- revenue and asset transfers;
- level of service considerations;
- revenue sharing, if any; and
- a schedule of public meetings in the area or areas proposed for annexation.

If the fire district or districts, annexing city or town, and applicable county reach agreement on the list of specified goals, the city may adopt an ordinance to complete the annexation. Once adopted, this ordinance is not subject to referendum.

If only the annexing city or town and the applicable county reach agreement on the list of specified goals, the annexation may proceed under the ordinance-based interlocal agreement processes, but the city or town ordinance providing for annexation is subject to referendum for 45 days after its passage.

If exercised, the referendum process begins with the filing of a sufficient petition with the annexing city or town. To qualify as sufficient, the petition must be signed by qualified electors in the area to be annexed equaling or exceeding 10 percent of the votes cast in the last state general election in the annexation area. If the petition is determined to be sufficient, an election on the question of annexation must be submitted to the voters of the annexation area. Unless a majority of the votes cast on the proposition are in opposition to the annexation, the annexation is deemed approved.

Recent Legislation - Effective July 28, 2013. Legislation adopted in the 2013 regular legislative session (*i.e.*, Senate Bill 5417, enacted as Chapter 333, Laws of 2013) modified provisions governing code city annexations by amending both sets of eligibility criteria for the island annexation method. More specifically, Senate Bill 5417 increased the maximum amount of territory that could be annexed under the first set of eligibility criteria from fewer than 100 acres to fewer than 175 acres, and required the boundaries of the annexation area to be fully, rather than at least 80 percent, contiguous to the annexing city. Senate Bill 5417 also removed certain restrictions on a code city's authority to annex unincorporated "islands" of territory through the island annexation method, including repealing a general requirement limiting the method to territory containing residential property owners. The provisions of Senate Bill 5417 take effect July 28, 2013.

**Summary:** Code City Annexations of Unincorporated "Islands" of Territory. One set of eligibility criteria for annexations of unincorporated "islands" of territory by code cities is modified. Territory that may be annexed by a city under the second set of eligibility criteria for the island annexation method must contain residential property owners. Other requirements from this set of eligibility criteria, including the absence of size restrictions, contiguity percentages, and provisions requiring the territory to be with-

in the same county and urban growth area as the annexing city, are unchanged.

The amended eligibility criterion modifies provisions adopted in the 2013 regular legislative session (*i.e.*, Senate Bill 5417, enacted as Chapter 333, Laws of 2013).

**Annexations of Territory Served by Fire Protection Districts - Interlocal Agreement Process.** Except as provided otherwise, all code and noncode city and town annexation ordinances for territory served by one or more fire districts that occur through ordinance-based interlocal agreement processes are subject to referendum for 45 days after passage and, if applicable, associated referenda governance provisions.

City and town annexation ordinances for territory served by one or more fire districts that occur through ordinance-based interlocal agreement processes are not subject to referendum if the city or town has initiated the interlocal agreement process with the fire district or districts and county prior to July 28, 2013, the effective date of the act.

**Votes on Final Passage:**

**First Special Session**

House 79 9

**Second Special Session**

House 80 7

Senate 46 2 (Senate amended)

House 74 15 (House concurred)

**Effective:** July 28, 2013

## SHB 2069

C 10 L 13 E2

Concerning continuation of safety net benefits for persons with a physical or mental disability which makes them eligible for certain social services programs.

By House Committee on Appropriations (originally sponsored by Representatives Hunter and Sullivan).

House Committee on Appropriations  
Senate Committee on Ways & Means

**Background:** Medical Care Services. Medical Care Services (MCS) are a limited scope of medical care offered to persons who receive public assistance benefits as a result of a mental or physical disability and to recipients of drug and alcohol addiction services. Persons are eligible for medical care services if they are incapacitated from gainful employment with a disability for a minimum of 90 days and meet the income and resource eligibility requirements.

Aged, Blind, or Disabled Assistance Program. The Aged, Blind, or Disabled Assistance Program was established in 2011. Under this program, the Department of Social and Health Services (DSHS) provides financial assistance to persons who meet the income, resource, and incapacity standards, which include having a medical or

mental health impairment that is likely to meet federal Supplemental Security Income (SSI) disability standards. The federal SSI standards include the requirement that an individual has a disability that is likely to continue for a minimum of 12 months and that prevents the individual from performing work that he or she was able to perform within the past 15 years. A person is not eligible for the Aged, Blind, or Disabled Assistance Program if there has been a final determination that he or she is not eligible for federal SSI.

Medicaid Expansion. Medicaid is a federal-state partnership that provides an array of programs including services for medical care, mental health, long-term care, and substance abuse and chemical dependency. The Health Care Authority (HCA) is designated as the state agency for Medicaid, and the HCA has responsibility for the medical programs. Other programs are coordinated with the DSHS.

The 2010 federal Patient Protection and Affordable Care Act (Affordable Care Act) included a number of changes to the Medicaid program, including a streamlining of the eligibility process. The Affordable Care Act gives the state the option, with federal financial support, to provide Medicaid services to a new category of adults, known as the expansion population. The expansion population includes adults aged 19 to 65 who have modified adjusted gross incomes below 133 percent of the federal poverty level. A person need not have a disability in order to be included in the Medicaid expansion population.

Essential Needs and Housing Support Program. The Essential Needs and Housing Support (ENHS) Program was created in 2011. Individuals eligible for the MCS Program, except for recipients under the Alcoholism and Drug Addiction Treatment Support Act (ADATSA) and the Aged, Blind, or Disabled Assistance Program, are eligible for a referral to the ENHS Program. No cash grant is awarded under the ENHS Program. After the first 12 months, and annually thereafter, the DSHS must review cases of clients in the MCS Program who have been referred to the ENHS Program.

**Summary:** Medical Care Services. The MCS may be provided only to legal immigrants who are eligible for the Aged, Blind, or Disabled Assistance Program or the ENHS Program but who are not eligible for Medicaid.

Aged, Blind, or Disabled Assistance Program. Until June 30, 2015, a disabled person is an individual who has a bodily or mental infirmity that will likely continue for a minimum of nine months and prevent the individual from performing work that he or she was able to perform in the prior 10 years and who is otherwise likely to meet the federal SSI standard. If a person is determined to be "disabled" by the DSHS, he or she may be eligible for the Aged, Blind, or Disabled Assistance Program. Beginning July 1, 2015, a disabled person is one who is likely to meet the federal SSI standard, which includes a disability that will likely continue for a minimum of 12 months and pre-

vent the individual from performing work previously performed in the last 15 years. Persons eligible for the Aged, Blind, or Disabled Assistance Program must meet the same income and resource criteria as those established for the ENHS Program.

Essential Needs and Housing Support Program. Eligibility for referral to the ENHS Program is determined by the DSHS and is no longer determined by eligibility for MCS. Persons eligible for the ENHS Program are those who are incapacitated from gainful employment by reason of bodily or mental infirmity that will likely continue for a minimum of 90 days. Persons are not eligible for the ENHS Program if they are unemployable primarily due to alcohol or drug addiction.

Persons eligible for the Aged, Blind, or Disabled Assistance Program, Temporary Assistance for Needy Families (TANF), Pregnant Women's Assistance program, and federal SSI are expressly excluded from eligibility for the ENHS Program.

**Votes on Final Passage:**

First Special Session

House 83 5

Second Special Session

House 78 8

Senate 46 2 (Senate amended)

House 83 9 (House concurred)

**Effective:** January 1, 2014  
July 1, 2015 (Section 2)

**EHB 2075**

C 2 L 13 E2

Preserving funding deposited into the education legacy trust account used to support common schools and access to higher education by restoring the application of the Washington estate and transfer tax to certain property transfers while modifying the estate and transfer tax to provide tax relief for certain estates.

By Representatives Carlyle and Roberts.

**Background:** In 1981 Initiative 402 repealed the state inheritance tax and replaced it with an estate tax equal to the amount allowed under federal law as a credit against the federal estate tax. This is commonly referred to as a "pick-up" tax. A pick-up tax is not an additional tax on the estate but merely shifts revenues from the federal government to the state. Federal law phased out state pick-up taxes (i.e. federal sharing), with a complete termination in 2005.

On February 3, 2005, the Washington Supreme Court (Court) invalidated Washington's estate tax by holding that Washington's "pick-up" estate tax was based on current federal law, which had ended state-sharing, and that Washington law did not impose an independently operating Washington estate tax. Until the Legislature expressly

created a stand-alone tax, the tax remained a pick-up tax that must be fully reimbursed by the federal credit.

In response to the Court decision, legislation creating a stand-alone estate tax was enacted in 2005. The tax took effect May 17, 2005. The tax is imposed on every transfer of property located in Washington at the time of death of the owner. The term "property" includes real estate and other property located in this state, as well as intangible assets owned by a Washington resident, regardless of location.

The measure of the tax is based on the taxable estate as determined under federal law, as it existed on January 1, 2005. For Washington decedents dying on or after January 1, 2006, a deduction of \$2 million is allowed from the taxable estate. The value of property used for qualifying farming purposes is also deductible.

After subtracting any applicable deductions (e.g., the \$2 million statutory deduction and the value of qualifying farm property), the remaining Washington taxable estate is subject to a graduated rate schedule ranging from 10 to 19 percent.

As previously mentioned, the federal taxable estate is the starting point for determining Washington's estate tax. Federal law allows an unlimited marital deduction for property passed outright to a surviving spouse. Federal law also allows certain transfers of property to marital trusts to qualify for the unlimited marital deduction even though the surviving spouse does not have total control of the property. This property is referred to as qualified terminable interest property (QTIP). The QTIP is included in the federal taxable estate of the surviving spouse upon the surviving spouse's passing. Under both federal and state law, the personal representative of the first spouse to die may make a QTIP election to qualify the property for the marital deduction.

On October 18, 2012, the Court in *Estate of Bracken*, 175 Wn.2d 549 (2012), addressed whether the Washington estate tax applies to QTIP when the first spouse passed away prior to May 17, 2005. The court specifically held that QTIP included in the federal taxable estate where the federal QTIP election was made prior to May 17, 2005, is not subject to Washington estate tax when the surviving spouse passes away after May 17, 2005. The Court reasoned that Washington's estate tax is specifically triggered by the transfer of property of the decedent and, with QTIP, the actual transfer occurs when the first spouse passes away. The surviving spouse is an income beneficiary of QTIP, but upon the surviving spouse's death, no actual transfer occurs. Under federal law, a fictional transfer of QTIP occurs when the second spouse dies based on the original QTIP election by the first spouse. However, since the current Washington estate tax did not exist until May 17, 2005, no state QTIP election could have been made prior to this time.

**Summary:** The definition of "transfer" is amended to specifically include property where the decedent econom-

ically benefitted in the property, i.e., property in a QTIP marital trust. A commensurate change is made to the definition of the "Washington taxable estate" to specifically include an interest in QTIP, regardless of whether the decedent acquired the interest in the property prior to May 17, 2005.

For decedents dying prior to April 9, 2006, the personal representative of the estate is not personally liable for estate taxes on QTIP if the property is not located in Washington and the personal representative does not have possession of the property.

The changes relating to the *Estate of Bracken* decision apply prospectively as well as retroactively to decedents dying on or after May 17, 2005. These changes do not impact the parties involved in the decision.

A deduction is provided for family-owned businesses. The deduction is capped at \$2.5 million. A decedent's estate may not claim the deduction if the value of the decedent's interest in the business exceeds \$6 million. To qualify for the deduction, material participation requirements related to the operation of the business both prior to, and after, the decedent's death are provided. More specifically, a decedent or a family member of the decedent must materially participate in the business five of eight years prior to the decedent's date of death and the heir receiving the business interest must materially participate in the business for at least three years after acquiring the interest. An additional estate tax is imposed on the heir acquiring the business interest if the material participation requirements are not met, the heir disposes of any portion of the business interest, or any of several other disqualifying events occur. The amount of the tax is equal to the tax savings from claiming the deduction. The family-owned business deduction applies to decedents dying on or after January 1, 2014.

The existing \$2 million deduction is indexed for inflation every year beginning in calendar year 2014.

The estate tax is modified to offset the fiscal impact of providing the family-business deduction and increasing the \$2 million deduction by inflation. More specifically, the top four marginal tax rates are increased as follows: (a) 17 percent is increased to 18 percent; (b) 18 percent is increased to 19 percent; (c) 18.5 percent is increased to 19.5 percent; and (d) 19 percent is increased to 20 percent.

**Votes on Final Passage:**

Second Special Session

House	53	33
Senate	30	19

**Effective:** June 14, 2013  
January 1, 2014 (Sections 3-4 and 6)

**HB 2079**

C 28 L 13

Concerning the environmental legacy stewardship account.

By Representative Dunshee.

**Background:** The Model Toxics Control Act (MTCA), which is administered and enforced by the Department of Ecology (DOE), requires liable parties to clean up sites contaminated with hazardous substances and authorizes the DOE to conduct certain pollution prevention activities. Under the MTCA, the State and Local Toxics Control Accounts (STCA and LTCA) were established to provide for hazardous and solid waste planning, contaminated site cleanup grants to local governments, and other activities related to hazardous waste prevention, management, and remediation.

During the second special session of the 2013 Legislature, legislation was enacted which, among other substantive changes to the MTCA, created the new Environmental Legacy Stewardship Account (ELSA), and added, eliminated, and transferred certain authorized uses of funds in the STCA and LTCA accounts.

Account Revenue Sources and Appropriations Procedures. The primary source of revenue used to fund the activities authorized under the STCA, the LTCA, and the ELSA is a tax of 0.7 percent on the value of hazardous substances (HST). The STCA receives 56 percent of the first \$140 million in revenue generated by the HST, while the LTCA receives the other 44 percent of that amount. The ELSA receives all HST revenues in excess of that amount.

The Legislature may transfer funds between the STCA and the LTCA and from the STCA and the LTCA into the ELSA, if it determines that priorities for spending exceed available funds in any particular account. The Legislature may also appropriate funds in the ELSA to the STCA and the LTCA for certain types of projects and other activities that are completed at a quicker-than-average schedule.

Local Toxics Control Account. Funds in the LTCA may be spent, in descending order of priority, on extended grant agreements, remedial actions, storm water pollution, hazardous waste plans and programs, solid waste plans and programs, and plastic and foam debris cleanup. Among remedial action grants specifically, priority is to be given to facilities on the state's hazardous sites list with a high hazard ranking and approved work plan, and to brownfield sites within designated redevelopment opportunity zones in instances where local governments have opted to create the zones.

State Toxics Control Account. Funds in the STCA may be spent on the following authorized activities:

- hazardous waste planning;
- solid waste planning;
- hazardous waste cleanup;



- matching funds to meet federal cleanup law requirements;
- financial assistance for local programs in solid waste, hazardous waste, used oil recycling, waste reduction, and hazardous waste reduction and recycling efforts;
- water and environmental health protection and monitoring;
- the Centennial Clean Water Fund;
- public participation activities;
- funding for remedial actions by potentially liable parties under certain settlement agreement conditions and findings made by the DOE;
- alternative hazardous waste management priorities; and oil and hazardous material spill prevention;
- paint and hazardous waste disposal programs from households, small business, and agriculture;
- agriculture and health programs for pesticide reduction and disposal;
- funding requirements for federal fund receipt under the Solid Waste Disposal Act;
- toxic air pollution and air quality programs;
- storm water pollution control projects with a nexus to hazardous clean-up sites or existing remedial actions;
- public funding to assist potentially liable persons to pay for remedial actions under settlement agreements, if the project is located within a redevelopment opportunity zone and meets certain other criteria; and
- cleanup of petroleum based plastic or polystyrene foam debris in fresh or marine waters.

Environmental Legacy Stewardship Account. Funds in the ELSA may be spent on measures including performance and outcome-based projects, model remedies, demonstrated technologies, procedures, contracts, and project management and oversight that result in significant reductions in the average time spent to complete:

- activities authorized under the STCA and the LTCA;
- storm water low-impact development retrofits and other significantly environmentally beneficial projects which reduce storm water pollution from existing infrastructure and development; and
- abandoned and derelict vessel cleanup.

**Summary:** The authorized uses of funds in the ELSA account are amended so that funds may be spent on all enumerated authorized activities, rather than only authorized activities that meet the criteria of being performance and outcome-based projects, model remedies, demonstrated technologies, procedures, contracts, and project management and oversight that result in significant reductions in the average time spent to be completed.

The list of enumerated authorized uses of the ELSA funds is also amended as follows:

- *retained* as an enumerated authorized use of the ELSA funds are all activities authorized under the STCA and the LTCA;
- also *retained* as an enumerated authorized use of the ELSA funds is the cleanup of abandoned and derelict vessels;
- *amended* as an enumerated authorized use of the ELSA funds are storm water low-impact development retrofits, which are specified to be grants or loans to local governments, awarded through a competitive grant making process administered by the DOE that will review, rank, and prioritize low impact development retrofit and other high quality projects that reduce storm water from existing infrastructure; and
- *added* as a new enumerated authorized use of the ELSA funds are grants and loans to local governments for performance and outcome-based projects, model remedies, demonstration projects, procedures, contracts, and project management and oversight that result in significant reductions in the average time spent to complete those projects.

**Votes on Final Passage:**

Second Special Session

House	56	34
Senate	34	13

**Effective:** September 28, 2013

**SSB 5002**

C 208 L 13

Concerning mosquito control districts.

By Senate Committee on Governmental Operations (originally sponsored by Senators Honeyford, Fraser and Ericksen).

Senate Committee on Governmental Operations

House Committee on Local Government

**Background:** Originally authorized in 1957, mosquito control districts can be formed to exterminate mosquitoes and abate mosquito breeding places. They are financed by property taxes, assessments, and bonds. Currently, 18 districts operate in 13 counties.

To abate mosquito breeding places, mosquito control district officials may enter land in a district to conduct inspections and treat breeding places with oil or other larvicidal material.

**Summary:** Mosquito control district officials may enter lands adjacent to districts to conduct inspections and abate breeding places, but must give prior written notice to landowners of their intent to do so.

District authority to treat breeding places is revised. Districts may treat places where mosquitoes are found or

are likely to exist using integrated pest management (IPM) methods. IPM is defined as a coordinated decision-making and action process, seeking in an environmentally and economically sound manner to prevent pest problems, monitor pests and pest damage, establish tolerable pest populations, treat pest problems, and evaluate treatments.

Subject to management considerations identified during consultation with landowners, districts may cut or remove shrubbery or undergrowth as necessary to carry out district operations.

**Votes on Final Passage:**

Senate	49	0	
House	60	37	(House amended)
Senate	36	10	(Senate concurred)

**Effective:** July 28, 2013

## SSB 5008

C 152 L 13

Addressing portable electronics insurance.

By Senate Committee on Financial Institutions, Housing & Insurance (originally sponsored by Senators Hobbs, Benton and Hatfield).

Senate Committee on Financial Institutions, Housing & Insurance

House Committee on Business & Financial Services

**Background:** The Office of Insurance Commissioner (OIC) licenses and regulates insurance producers, including specialty producer licenses. Holders of specialty producer licenses are authorized to market insurance covering portable electronics in the state. Portable electronics are defined as personal, self-contained, easily carried by an individual, battery-operated, electronic communication, viewing, listening, recording, gaming, computing or global positioning devices and other similar devices and their accessories, and service related to the use of such devices.

An insurer offering portable electronics coverage must follow specified rate filing and notification requirements regulated by OIC. Under current law, with limited exception, no insurance policy may be issued, delivered, or used unless it has been filed with or approved by OIC. An insurer must provide an enrolled customer with at least 45 days written notice and explanation for cancellation or nonrenewal of the policy. If termination is due to nonpayment of premiums, the customer must receive at least ten days written notice. Such notification must be delivered to the customer by prepaid postage through the United States Postal Service.

**Summary:** A master, corporate, or group policy for personal electronics insurance is classified as commercial inland marine insurance. An insurer of a portable electronics program with insufficient loss experience to support its proposed rates may submit to OIC a complete and logical explanation of how it developed its proposed

rates, including the insurer's analysis of any relevant information and why the proposed rates are reasonable.

Written materials for prospective customers at vendor locations detailing the insurance program are not subject to the review or approval of OIC.

Premiums may be collected on a month-to-month or other periodic basis. An insurer may not increase premiums or deductibles nor restrict benefits more than once in a six-month period. Any change to rates or benefits must adhere to specified notification requirements.

Notification requirements for modification or cancellation of portable electronics insurance are amended. Policyholders and enrolled customers must receive at least 30 days' notice along with written material evidencing a change in the terms and conditions of insurance coverage, and a summary of the significant changes. A policy may be terminated within 15 days' notice for discovery of fraud or misrepresentation. A policy may be terminated immediately for nonpayment of premiums; inactivity of service; or exhaustion of the aggregate limit of liability, if any, under the terms of the portable electronics insurance policy if the insurer sends notice of termination to the enrolled customer within 30 calendar days after exhaustion of such limits.

Notice of such modification or cancellation of portable electronics insurance must be delivered using either regular mail or, if authorized by the enrolled customer, an electronic delivery method.

Written disclosure materials made available to prospective customers must also disclose what circumstances and subject to what limitations an insurer may cancel, terminate, modify, or otherwise change the terms and conditions of a policy of portable electronics insurance. The written disclosure materials are not required to be filed for the review or approval of OIC.

Until July 1, 2015, a vendor must deliver materials to enrolled customers that disclose what circumstances and subject to what limitations an insurer may cancel, terminate, modify, or otherwise change the terms and conditions of a policy of portable electronics insurance.

If an insurer changes the terms and conditions, then the insurer must provide the vendor policyholder with a revised policy or endorsement. The insurer must also provide each enrolled customer with evidence indicating that a change in the terms and conditions has occurred, and a summary of the material changes.

**Votes on Final Passage:**

Senate	48	0
House	95	0

**Effective:** July 28, 2013

July 01, 2015 (Section 6)

**SSB 5021**

C 20 L 13

Changing the crime of riot to the crime of criminal mischief.

By Senate Committee on Law & Justice (originally sponsored by Senators Padden and Carrell).

Senate Committee on Law & Justice  
House Committee on Public Safety

**Background:** A person is guilty of the crime of riot if, acting with three or more persons, the person knowingly and unlawfully uses or threatens to use force, or in any way participates in the use of such force, against any other person or against property.

The crime of riot is a gross misdemeanor unless the actor is armed with a deadly weapon. If armed with a deadly weapon, the crime of riot is a class C felony.

**Summary:** The crime of riot is changed to the crime of criminal mischief.

**Votes on Final Passage:**

Senate	45	4
House	92	0

**Effective:** January 1, 2014

**SSB 5022**

C 153 L 13

Changing retail theft with extenuating circumstances to retail theft with special circumstances.

By Senate Committee on Law & Justice (originally sponsored by Senators Padden, Sheldon and Carrell).

Senate Committee on Law & Justice  
House Committee on Public Safety

**Background:** A person commits the crime of retail theft with extenuating circumstances if the individual commits theft of property from a mercantile establishment with one of the following circumstances:

- To facilitate the theft, the person leaves the mercantile establishment through a designated emergency exit;
- The person was, at the time of the theft, in possession of an item, article, implement, or device designed to overcome security systems including, but not limited to, lined bags or tag removers; or
- The person committed theft at three or more separate and distinct mercantile establishments within a 180 day period.

Retail theft with extenuating circumstances may be charged in the first, second, or third degree, depending on the value of the items taken.

The term extenuating circumstances is not defined in the Revised Code of Washington.

**Summary:** The crime of retail theft with extenuating circumstances is changed to retail theft with special circumstances.

Special circumstances are defined to mean the particular aggravating circumstances described in the statutory definition of the offense.

**Votes on Final Passage:**

Senate	49	0	
House	92	0	(House amended)
Senate	47	0	(Senate concurred)

**Effective:** January 1, 2014

**ESSB 5024**

PARTIAL VETO

C 306 L 13

Making transportation appropriations for the 2011-2013 and 2013-2015 fiscal biennia.

By Senate Committee on Transportation (originally sponsored by Senators King, Eide and McAuliffe; by request of Governor Gregoire).

Senate Committee on Transportation  
House Committee on Transportation

**Background:** The operating and capital expenses of state transportation agencies and programs are funded on a biennial basis by an omnibus transportation budget adopted by the Legislature in odd-numbered years. Additionally, supplemental budgets may be adopted during the biennium, making various modifications to agency appropriations.

**Summary:** Appropriations are made for state transportation agencies and programs for the 2013-15 fiscal biennium. Additionally, the 2011-13 biennial appropriations for various transportation agencies and programs are modified. For additional information, see the budget summary materials published by the Senate Transportation Committee that are available on the internet at <http://www.leg.wa.gov/Senate/Committees/TRAN/Pages>.

**Votes on Final Passage:**

Senate	47	0	
House	72	25	(House amended)
Senate	46	1	(Senate concurred)

**Effective:** May 20, 2013  
June 30, 2013 (Section 709 - Contingent)  
July 1, 2013 (Section 702)

**Partial Veto Summary:** The Governor vetoed 15 sections or parts of sections (appropriation items) in the biennial transportation appropriations act. The effect was to remove certain directive language concerning:

- moving the traffic safety prosecutor program from the Washington State Patrol to the Washington Association of Prosecuting Attorneys;

- traffic control signing issues between the Washington State Department of Transportation (WSDOT) and the City of Kenmore;
- study of wood guardrails;
- reporting of public or private entity mitigation payments;
- reporting of change order details on transportation projects; and
- transitioning WSDOT to using state motor pool vehicles managed by the Department of Enterprise Services.

The veto also removed the following appropriation items and attendant language:

- the Columbia River Crossing project resulting in a reduction of \$81 million dollars to WSDOT;
- annual independent audits on the State Route 520 toll bridge and the Tacoma Narrows Bridge resulting in a reduction of \$240 thousand dollars to WSDOT; and
- the 2011-13 supplemental appropriations for the highway improvement and preservation programs and the ferry construction program are reverted back to the 2012 levels.

For more information please refer to the Governor's veto message:

<http://www.governor.wa.gov/billaction/2011/veto/1175.pdf>

## VETO MESSAGE ON ESSB 5024

May 20, 2013

To the Honorable President and Members,  
The Senate of the State of Washington

Ladies and Gentlemen:

I am returning herewith, without my approval as to Sections 201(3); 209(10); 216(5); 218(2); 306(7); 306(22); 313(4); 313(5); 602; 903, page 139, lines 23-25; 903(1); 904, page 151, lines 7-9; 904(1); 906, page 154, lines 8-10; and 906(1), En-grossed Substitute Senate Bill 5024 entitled:

"AN ACT Relating to transportation funding and appropriations."

**Section 201(3), page 7, Washington Traffic Safety Commission, Traffic Safety Resource Prosecutor Program**

This proviso requires the traffic safety prosecutor program to be moved from the Washington State Patrol to the Washington Association of Prosecuting Attorneys. Before making this change, a thorough analysis of the advantages and disadvantages should be done. For this reason, I have vetoed Section 201(3) and instructed the Washington Traffic Safety Commission to investigate this proposal.

**Section 209(10), page 20, Department of Transportation, Annual Independent Audits**

The Fiscal Year 2013 annual independent audit of State Route 520 is currently under way and will be completed in Fiscal Year 2014. This proviso would require the audit to be completed through an interagency agreement between the Department of Transportation and Office of Financial Management. This change would duplicate work and delay completion of the audit required in the State Route 520 master bond resolution. For these reasons, I have vetoed Section 209(10).

**Section 216(5), page 26, Department of Transportation, Guide Signs to the City of Kenmore and Other Destinations**

Traffic control signing, including guide signs to destinations,

should be done in a cooperative manner between the Department of Transportation and the requestor to ensure that safety and motorist needs are met. State and federal regulations and policy are in place to guide this process. This proviso, therefore, is unnecessary. For this reason, I have vetoed Section 216(5) and directed the Department to work with the City of Kenmore to resolve their traffic control signing issues.

**Section 218(2), page 29-30, Department of Transportation, Study on Restricting Use of Steel on Guardrail Posts**

Section 218(2) directs the Department of Transportation to contract with an independent research organization to study wood guardrails; however, no funding is provided for the study. Moreover, the Department evaluated the use of wood guardrails as recently as 2009 and is currently conducting a study concerning guardrail materials. For these reasons, I have vetoed Section 218(2).

**Section 306(7), pages 41-42, Interstate 5/Columbia River Crossing**

Section 306(7) directs the expenditure of \$81 million, including federal funds, for the Columbia River Crossing project. I see no wisdom in expending these funds if the state of Washington does not contribute its share of funding necessary to complete the project. This section would result in the expenditure of \$81 million to no result. If there are no other funds appropriated, the bridge project cannot move forward because federal funding will disappear. In addition, this section would prohibit expenditure of federal funding that is necessary to build the bridge. If the Coast Guard permit is not issued, there is no need for the waste of \$81 million since no other option is viable.

**Section 306(22), page 47, Department of Transportation, Report on Public or Private Entity Mitigation**

Section 306(22) requires the Department of Transportation to report to the chairs of the Senate and House transportation committees whenever it is in negotiations to provide a public or private entity mitigation for \$10 million or more. While I support the interest in transparency and accountability when negotiating public funds, non-disclosure agreements may require the Department to maintain confidentiality during certain negotiations. Therefore, I have vetoed Section 306(22) and directed the Department to develop a process to report on mitigation agreements exceeding \$10 million.

**Section 313(4), page 57, Department of Transportation, Quarterly Reporting Requirements**

This proviso requires the Department of Transportation to report quarterly on change order details that include the name of the contractor, dollar value of the change order, and explanation of the change order. No funding was provided for either the system or human resource efforts this would require given that there is no dollar threshold for reporting change orders. For this reason, I have vetoed Section 313(4).

**Section 313(5), page 57, Department of Transportation, Quarterly Reporting Requirements**

This proviso requires the Department of Transportation to report quarterly on all mitigation payments, including the party with whom the mitigation was negotiated, as well as the parties with whom the Department is in ongoing negotiations. No funding was provided for either the system or human resource efforts this would require given that there is no dollar threshold for reporting mitigation payments. For this reason, I have vetoed Section 313(5).

**Section 602, page 74, Department of Transportation, Transitioning Passenger Vehicles to DES Motor Pool**

This section directs the Department of Transportation to begin transitioning its passenger vehicles to the Department of Enterprise Services motor pool and prohibits the purchase of new passenger vehicles with appropriations in this act by programs headquartered in Thurston County. However, it is not clear whether the Department of Transportation's specialty service trucks are passenger vehicles as defined in RCW 46.04.382. I believe these vehicles, such as light trucks used by maintenance workers, should remain with the Department of Transportation. For this reason, I have vetoed Section 602 and directed the Department of Transpor-

tation to work with the Department of Enterprise Services to transition its vehicles to the motor pool where practicable and where efficiencies can be created.

**Section 903, page 139, lines 23-25, and Section 903(1), page 140, Transportation Partnership Account-State Appropriation, Improvements Program**

Due to unforeseen changes in the timing of expenditures for highway improvement projects and the lack of flexibility in the capital program budgets, this appropriation change would result in an estimated shortfall of approximately \$30 million in expenditure authority in the highway improvement program. The Department of Transportation must keep projects within the total spending plan; however, retaining the supplemental budget's original Transportation Partnership Account-State appropriation will provide flexibility in the timing of expenditures as the state transitions from one biennium to the next during the peak construction period. For these reasons, I have vetoed Section 903, page 139, lines 23-25, and Section 903(1).

**Section 904, page 151, lines 7-9, and Section 904(1), page 151, Transportation Partnership Account-State Appropriation, Preservation Program**

Due to unforeseen changes in the timing of expenditures for highway preservation projects and the lack of flexibility in the capital program budgets, this appropriation change would result in an estimated shortfall of approximately \$23 million in expenditure authority in the highway preservation program. The Department of Transportation must keep projects within the total spending plan; however, retaining the supplemental budget's original Transportation Partnership Account-State appropriation will provide flexibility in the timing of expenditures as the state transitions from one biennium to the next during the peak construction period. For these reasons, I have vetoed Section 904, page 151, lines 7-9, and Section 904(1).

**Section 906, page 154, lines 8-10, and Section 906(1), page 154, Transportation 2003 Account (Nickel Account)-State Appropriation, Washington State Ferries Construction Program**

Due to unforeseen changes in the timing of expenditures for ferry capital construction projects and the lack of flexibility in the capital program budgets, this appropriation change would result in an estimated shortfall of approximately \$7 million in expenditure authority in the ferry capital program.

The Department of Transportation must keep projects within the total spending plan; however, retaining the supplemental budget's original Transportation 2003 Account (Nickel Account)-State appropriation will provide flexibility in the timing of expenditures as the state transitions from one biennium to the next during the peak construction period. For these reasons, I have vetoed Section 906, page 154, lines 8-10, and Section 906(1).

For these reasons I have vetoed Sections 201(3); 209(10); 216(5); 218(2); 306(7); 306(22); 313(4); 313(5); 602; 903, page 139, lines 23-25; 903(1); 904, page 151, lines 7-9; 904(1); 906, page 154, lines 8-10; and 906(1) of Engrossed Substitute Senate Bill 5024.

With the exception of Sections 201(3); 209(10); 216(5); 218(2); 306(7); 306(22); 313(4); 313(5); 602; 903, page 139, lines 23-25; 903(1); 904, page 151, lines 7-9; 904(1); 906, page 154, lines 8-10; and 906(1), Engrossed Substitute Senate Bill 5024 is approved.

Respectfully submitted,



Jay Inslee  
Governor

Providing that a proclamation of a state of emergency is effective upon the governor's signature.

By Senators Roach, Conway and Shin; by request of Governor Gregoire.

Senate Committee on Governmental Operations  
House Committee on Public Safety

**Background:** The Governor may declare a state of emergency in the area of the state affected by a riot, energy emergency, public disorder, or disaster by a written proclamation filed with the Secretary of State. An emergency proclamation takes immediate effect upon physical affixation of the seal of the Secretary of State to a document signed by the Governor proclaiming a state of emergency. A state of emergency applies only to the geographic area specified in the proclamation.

An emergency proclamation enables the Governor to prohibit specific activities, such as public gatherings, transfer of combustible materials, public possession of firearms, and the use of public streets at any time during the state of emergency. In a state of emergency, the Governor may also prohibit activities as the Governor reasonably believes is necessary to help preserve and maintain life, health, property, or the public peace. The Governor has authority to waive or suspend statutory obligations or limitations for certain, limited executive functions, such as purchasing rules, during and in the areas affected by an emergency proclamation. An emergency proclamation enables the Governor to mobilize the National Guard and State Patrol to restore order to affected areas.

The state of emergency ends by the Governor's proclamation, which must be issued when order has been restored to the affected area.

**Summary:** A proclamation of a state of emergency is effective upon the Governor's signature.

**Votes on Final Passage:**

Senate	47	2
House	89	8

**Effective:** July 28, 2013

Extending the Chinook scenic byway.

By Senators Roach and Shin.

Senate Committee on Transportation  
House Committee on Transportation

**Background:** The state Scenic and Recreational Highways System was created in 1967. A segment of highway does not become part of the state Scenic and Recreational Highway System unless approved by the Legislature.

Each scenic byway is defined in statute. Currently, the western terminus of the Chinook Byway is defined in current law as four miles east of Enumclaw.

**Summary:** One section of State Route 410 that is designated as a scenic and recreational highway is extended by approximately four miles. This action extends the designation to the intersection of State Route 410 with Farman Street in Enumclaw.

**Votes on Final Passage:**

Senate	47	1
House	85	10

**Effective:** July 28, 2013

**3ESSB 5034**  
**PARTIAL VETO**  
C 4 L 13 E 2

Making omnibus operating appropriations.

By Senate Committee on Ways & Means (originally sponsored by Senators Hill and Hargrove; by request of Governor Gregoire).

Senate Committee on Ways & Means  
House Committee on Appropriations

**Background:** The operating expenses of state government and its agencies and programs are funded on a biennial basis by an Omnibus Operations Budget adopted by the Legislature in odd-numbered years. State operating expenses are paid from the state General Fund and from various dedicated funds and accounts.

**Summary:** Biennial appropriations for the 2011-13 and 2013-15 fiscal biennia for the various agencies and programs of the state are enacted, including appropriations for general government agencies, human services programs, natural resources agencies, and education institutions. For additional information, see the budget summary materials published by the Senate Ways & Means Committee which are available on the Internet at <http://www.leg.wa.gov/Senate/Committees/WM/>.

**Votes on Final Passage:**

Senate	30	18	
House	54	43	(House amended)

**First Special Session**

Senate	25	23
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**Second Special Session**

Senate	44	4
House	81	11

**Effective:** June 30, 2013

July 1, 2013 (Sections 991 and 992)

July 28, 2013 (Sections 978 and 996)

August 1, 2013 (Section 952)

**Partial Veto Summary:** The Governor vetoed 17 subsections of the appropriations act. For additional information, see the Legislative Budget Notes published by the Senate

Ways & Means Committee and the House of Representatives Committee on Appropriations.

**VETO MESSAGE ON 3ESSB 5034**

June 30, 2013

To the Honorable President and Members,  
The Senate of the State of Washington

Ladies and Gentlemen:

I am returning herewith, without my approval as to Sections 103(10); 103(11); 114(3); 124(2); 124(3); 124(4); 124(5); 130(5); 148(4); 150, page 37, lines 33-36 and page 38, lines 1-7; 205(1)(e); 208(7); 213(35); 213(36); 217(5); 219(25); 302(8); 307(15); 501(1)(a)(v); 610(1); 610(2); and 610(8), Third Engrossed Substitute Senate Bill 5034 entitled:

"AN ACT Relating to fiscal matters."

**Section 103(10), page 6, Joint Legislative Audit and Review Committee, Study of State Agency Performance Indicators and Performance Measurement Process**

This proviso directs the Joint Legislative Audit and Review Committee to study the effectiveness of state agency performance indicators and performance measurement processes established in Chapter 43.88 RCW, the state Budget and Accounting Act. My administration is already conducting a thorough and rigorous review of state agency performance indicators and measurements through our Results Washington initiative. I appreciate the Legislature's interest in performance management, but this review would be unnecessarily duplicative. For these reasons, I have vetoed Section 103(10).

**Section 103(11), page 6, Joint Legislative Audit and Review Committee, Study of Electricity Cost Impacts from Renewable Energy Standards**

This proviso directs the Joint Legislative Audit and Review Committee to assess the cost impacts of the state's renewable electricity standards without also evaluating the economic and environmental benefits of renewable energy. The study is unnecessary, as there are cost controls built into the standards. In addition, improvements to the Energy Independence Act will also be considered through the ongoing efforts of the Climate Legislative and Executive Workgroup created in Chapter 6, Laws 2013 (E2SSB 5802). For these reasons, I have vetoed Section 103(11).

**Section 114(3), page 9, Administrator for the Courts, Office of Chief Information Officer Approval of Judicial Technology Expenditures**

This proviso requires the Administrative Office of the Courts (AOC) to work with the Office of the Chief Information Officer (OCIO) to analyze the feasibility of moving judicial branch information technology equipment into the state data center. AOC is willing to undertake this analysis, in conjunction with the OCIO, as requested. However, the proviso also prohibits AOC from expending funds appropriated for an information network hub project and computer equipment replacement unless approved by the OCIO. This limitation on AOC's appropriation authority is not necessary given AOC's commitment to work cooperatively with the OCIO. I am willing to revisit this issue, however, should the necessary analysis not proceed in a timely and efficient manner. For this reason, I have vetoed Section 114(3).

**Sections 124(2), 124(3), 124(4), 124(5), pages 16-17, State Auditor, Audit and Evaluation Requests**

The State Auditor is requested by the Legislature to conduct various audits and evaluations on actuarial functions, managed care systems, federal compliance and fraud activity, and inmate intake and reception processes. The budget reduces the State Auditor's ability to conduct performance audits by diverting nearly \$10 million from the Performance Audits of Government Account to funds to other activities, including \$5.6 million of funding for the Joint Legislative Audit and Review Committee (JLARC). Initiative 900 created the Performance Audits of Government Account to fund comprehensive performance audits independently chosen by the State Auditor. Therefore, the State Auditor should select the audits he will perform within his limited funds. Legisla-

tively directed audits should be performed by JLARC. For these reasons, I have vetoed Sections 124(2), 124(3), 124(4), 125(5).

**Section 130(5), page 28, Office of Financial Management, One-Stop Portal Monitoring**

This proviso requires the Office of the Chief Information Officer to submit a plan to establish performance benchmarks and measuring results of implementing a one-stop integrated system for business interactions with government. A similar reporting requirement is contained in Substitute Senate Bill 5718, which passed the Legislature, making this proviso unnecessary. For this reason, I have vetoed Section 130(5).

**Section 148(4), page 36, Department of Enterprise Services, Building Code Council Aspirational Codes**

This proviso prohibits the State Building Code Council from working on aspirational codes, which are voluntary codes that offer builders options to demonstrate new energy efficiency measures that are economically and technically feasible. Energy efficiency is the cheapest, quickest, and cleanest way to meet rising energy needs, confront climate change, and boost our economy. Therefore, I believe the Building Code Council should continue this work for the benefit of our state's taxpayers. For this reason, I have vetoed Section 148(4). Moreover, while I have not vetoed subsection (3) of this section, the proviso attempts to amend substantive law through the budget by "modifying" the Council's statutory authority and by restricting member compensation as allowed under RCW 19.27.070. Therefore, this improper proviso does not restrict the appropriation authority or activities of the Building Code Council.

**Section 150, page 37, lines 33-36 and page 38, lines 1-7, Department of Archaeology and Historic Preservation, Agency Survey and Inventory Processes**

The Department of Archaeology and Historic Preservation is directed to report to the Legislature by December 1, 2013, and a second report by December 1, 2014, regarding the agency's survey and inventory processes. No funding was provided to compile the necessary data, which is not readily available to the Department, to complete these reports. For this reason, I have vetoed Section 150, page 37, lines 33-36 and page 38, lines 1-7. However, I am directing the Department to work with interested stakeholders to provide useful and available information about the survey and inventory processes within existing resources.

**Section 205(1)(e), page 61, Department of Social and Health Services, Rate Disparity Report**

The Department of Social and Health Services is directed to report to the Legislature by December 31, 2013, with a strategy to reduce the rate disparity between urban and suburban residential service providers. No funding was provided to the Department and it does not currently collect the data necessary to complete the report. For this reason I have vetoed Section 205(1)(e).

**Section 208(7), page 73, Department of Social and Health Services, Chemical Dependency Treatment Study**

This proviso requires the Department of Social and Health Services to contract with the Washington State Institute for Public Policy (WSIPP) to study the long-term efficacy of the chemical dependency treatment program. Under Chapter 338, Laws of 2013 (2SSB 5732), WSIPP will develop an inventory of evidence-based and research-based prevention and intervention services for the Department to use in preparing a behavioral health improvement strategy. Additionally, no funding is provided to the Department to contract for this study. For these reasons, I have vetoed Section 208(7).

**Section 213(35), page 88, Health Care Authority, Rebates for Brand Name Drugs**

This proviso requires the Health Care Authority to purchase brand name drugs when it determines the cost of the brand name drug after rebate is less than the cost of generic alternatives and that the purchase of the brand rather than generic version can save at least \$250,000. The state has made a concerted effort to reduce pharmaceutical drug costs through increasing generic drug use when clinically appropriate. This requirement is administratively burdensome to implement and will likely result in increased

costs rather than savings. For these reasons I have vetoed section 213(35).

**Section 213(36), page 88, Health Care Authority, Preferred Drug List Exclusions**

This proviso prohibits the Health Care Authority from including specific drugs in the Medicaid preferred drug list for the fee-for-service population. This proviso is in direct conflict with the state's goal of ensuring that our expenditures on services, devices, and medications provide the greatest health benefit for employees and clients. Excluding classes of drugs from evidence-based medicine is inconsistent with improving health care quality and reducing costs. For this reason I have vetoed Section 213(36).

**Section 217(5), page 96, Department of Labor and Industries; Section 219(25), page 105, Department of Health; Section 302(8), pages 119-120, Department of Ecology; Formal Review Process Existing Rules**

These provisos require the Departments of Labor and Industries, Health, and Ecology to establish and perform a formal review process of its existing rules within existing funds. A similar reporting requirement is included in SSB 5679, which passed the Legislature, making these provisos unnecessary. For this reason, I have vetoed Sections 217(5), 219(25), and 302(8).

**Section 307(15), pages 126-127, Department of Fish and Wildlife, Payments in Lieu of Taxes Methodology**

The Department of Fish and Wildlife is directed to develop and submit a revised payment methodology for certain counties that receive payments in lieu of taxes (PILT) for game lands managed by the Department. The revised methodology is directed to provide supplemental payments to these counties. I believe a comprehensive review of PILT for game lands should be conducted without any predetermined outcome. Therefore, I am directing the Department of Revenue to work with the Department of Fish and Wildlife and the Office of Financial Management to examine the current PILT methodologies, as well as methodologies used by other states and the federal government, to develop by December 1, 2013, options and recommendations to revise the PILT program. For this reason, I have vetoed Section 307(15).

**Section 501(1)(a)(v), page 136, Superintendent of Public Instruction**

This proviso requires the Office of the Superintendent of Public Instruction to review career and technical education and skill center formulas by October 1, 2013. The due date does not provide enough time for staff to accomplish the task. The Superintendent has expressed a commitment to completing the review by June 1, 2014. For these reasons, I have vetoed Section 501(1)(a)(v).

**Section 610(1), page 190, The Evergreen State College, Extraordinary Foster Care Cost Study**

This proviso directs the Washington State Institute for Public Policy to examine the extraordinary costs of individual foster care children to identify whether the cost of placements is consistent across similarly acute children. The Children's Administration of the Department of Social and Health Services routinely evaluates high cost placements and services but must make decisions based on the unique needs of each child. A study is not necessary at this time. For this reason, I have vetoed Section 610(1).

**Section 610(2), page 190, The Evergreen State College, Safety Assessment Tool Study**

This proviso directs the Washington State Institute for Public Policy to conduct an empirical study of the validity and reliability of the safety assessment tool used by the Children's Administration of the Department of Social and Health Services. The Department is currently evaluating the assessment tool as it implements the family assessment response system required by Chapter 259, Laws 2012 (ESSB 6555). A study at this time would be premature when the Department has not yet determined whether the assessment tool will continue to be used, modified or maintained. For this reason, I have vetoed Section 610(2).

**Section 610(8), page 191-192, The Evergreen State College, K-12 Funding Task Force**

This proviso establishes an eleven member task force on K-12 funding, to be staffed by the Washington State Institute for Public Policy. The task force is to examine and provide options on the fol-

lowing topics: salary allocation methodologies, career and technical education, and the appropriate use of state and local property taxes to finance public schools. Within the past three years, legislatively authorized working groups have conducted thorough reviews of compensation, career and technical education, and use of local levies. Another task force is duplicative of proposals from recent workgroups. For this reason, I have vetoed Section 610(8).

For these reasons I have vetoed Sections 103(10); 103(11); 114(3); 124(2); 124(3); 124(4); 124(5); 130(5); 148(4); 150, page 37, lines 33-36 and page 38, lines 1-7; 205(1)(e); 208(7); 213(35); 213(36); 217(5); 219(25); 302(8); 307(15); 501(1)(a)(v); 610 (1); 610 (2); and 610(8) of Third Engrossed Substitute Senate Bill 5034.

With the exception of Sections 103(10); 103(11); 114(3); 124(2); 124(3); 124(4); 124(5); 130(5); 148(4); 150, page 37, lines 33-36 and page 38, lines 1-7; 205(1)(e); 208(7); 213(35); 213(36); 217(5); 219(25); 302(8); 307(15); 501(1)(a)(v); 610 (1); 610 (2); and 610(8), Third Engrossed Substitute Senate Bill 5034 is approved.

Respectfully submitted,



Jay Inslee  
Governor

**ESSB 5035**  
**PARTIAL VETO**  
**C 19 L 13 E 2**

Adopting the 2013-2015 capital budget.

By Senate Committee on Ways & Means (originally sponsored by Senators Honeyford, Nelson and Shin; by request of Governor Gregoire).

Senate Committee on Ways & Means

**Background:** The programs and agencies of state government are funded on a two-year basis, with each fiscal biennium beginning on July 1 of odd-numbered years. The Capital Budget generally includes appropriations for the acquisition, construction, and repair of capital assets such as land, buildings, and other infrastructure improvements. Funding for the Capital Budget is primarily from state general obligation bonds, with other funding derived from various dedicated taxes, fees, and state trust land revenues.

**Summary:** The Omnibus 2013-15 Capital Budget authorizes new capital projects for state agencies and institutions of higher education for the 2013-15 fiscal biennium. For additional information, see the Capital Budget Summary published by the Senate Ways & Means Committee. Detailed information can be found at <http://www.leg.wa.gov/Senate/Committees/WM>.

**Votes on Final Passage:**

Second Special Session

Senate	47	0
House	79	4

**Effective:** July 1, 2013

**Partial Veto Summary:** The Governor vetoed a \$250,000 study regarding school construction funding, in-

cluding how school design influences student performance, and options for funding specialized school facilities such as skills centers.

**VETO MESSAGE ON ESSB 5035**

July 1, 2013

To the Honorable President and Members,  
The Senate of the State of Washington

Ladies and Gentlemen:

I am returning herewith, without my approval as to Section 5020(3), Engrossed Substitute Senate Bill 5035 entitled:

"AN ACT Relating to the capital budget."

**Section 5020(3), pages 166-168, Superintendent of Public Instruction, 2013-15 School Construction Assistance Program--Maintenance**

This proviso directs the Superintendent of Public Instruction to create an interagency agreement with The Evergreen State College for a study by the Washington State Institute of Public Policy. The purpose of the study is to analyze the relationship between school design and student performance and to develop recommendations for the school construction assistance program. The institute is further directed to create an advisory group to assist in the development of these recommendations. I believe this study is overly broad and an unnecessary expense. The current system of evaluating school construction projects adequately addresses school capital needs. Moreover, the 2013-2015 capital budget fully funds the state's school construction assistance program.

For this reason, I have vetoed Section 5020(3) of Engrossed Substitute Senate Bill 5035.

With the exception of Section 5020(3), Engrossed Substitute Senate Bill 5035 is approved.

Respectfully submitted,



Jay Inslee  
Governor

**ESSB 5036**  
**C 20 L 13 E 2**

Concerning state general obligation bonds and related accounts.

By Senate Committee on Ways & Means (originally sponsored by Senators Honeyford, Nelson and Shin; by request of Governor Gregoire).

Senate Committee on Ways & Means

**Background:** Washington periodically issues general obligation bonds to finance projects authorized in the capital and transportation budgets. General obligation bonds pledge the full faith, credit, and taxing power of the state toward payment of debt service. Legislation authorizing the issuance of bonds requires a 60 percent majority vote in both the House of Representatives and the Senate. Bond authorization legislation generally specifies the account or accounts into which bond sale proceeds are deposited, as well as the source of debt service payments. When debt service payments are due, the State Treasurer withdraws the amounts necessary to make the payments from the state General Fund and deposits them into bond



## SB 5046

retirement funds. The State Finance Committee, composed of the Governor, the Lieutenant Governor, and the State Treasurer, is responsible for supervising and controlling the issuance of all state bonds.

**Summary:** The State Finance Committee is authorized to issue state general obligation bonds to finance \$1.6 billion in projects in the 2013 Supplemental and 2013-15 Capital Budgets. The State Treasurer must withdraw from state general revenues the amounts necessary to make the principal and interest payments on the bonds and deposit these amounts into the Bond Retirement Account.

**Votes on Final Passage:**

Second Special Session

Senate	46	1
House	79	4

**Effective:** July 1, 2013

## SB 5046

C 22 L 13

Modifying the mandatory retirement provision for district judges.

By Senators Padden, Kline, Keiser, Harper, Shin and Kohl-Welles.

Senate Committee on Law & Justice  
House Committee on Judiciary

**Background:** District courts have jurisdiction over both criminal and civil cases. Criminal jurisdiction includes misdemeanor and gross misdemeanor cases that involve traffic or non-traffic offenses. Examples include driving while under the influence of intoxicating liquor or drugs (DUI), reckless driving, driving with a suspended driver's license, and assault in the fourth degree. Preliminary hearings for felony cases are also within the jurisdiction of the district courts.

Jurisdiction in civil cases includes damages for injury to individuals or personal property and contract disputes in amounts of up to \$75,000. District courts also have jurisdiction over traffic and non-traffic infractions, defined as civil proceedings for which a monetary penalty, but no jail sentence, may be imposed. District courts have jurisdiction to issue domestic violence and antiharassment protection orders and no-contact orders. They also have jurisdiction to hear change-of-name petitions and certain lien foreclosures. Small claims are limited to money claims of up to \$5,000. These are filed and heard in the Small Claims Department of the district court.

District court judges are elected to four year terms. If a district court judge vacancy occurs during a term of office for any reason, the county legislative authority fills the vacancy by appointment, and the judge holds office until the next general election. District court judges must retire from office at the end of the calendar year in which the judge reaches the age of 75.

**Summary:** Instead of requiring that a district court judge must retire from office at the end of the calendar year in which the judge reaches the age of 75, the judge is allowed to serve until the expiration of the judge's term of office.

**Votes on Final Passage:**

Senate	48	0
House	92	0

**Effective:** July 28, 2013

## SB 5050

C 155 L 13

Authorizing tow truck operators to carry passengers in a vehicle attached to a flatbed tow truck under certain situations.

By Senators Sheldon, King, Ericksen and Litzow.

Senate Committee on Transportation  
House Committee on Transportation

**Background:** Under current law, it is unlawful to ride in a vehicle that is being towed by a tow truck.

**Summary:** A tow truck operator may allow passengers to ride in a vehicle that is being carried on the deck of a flatbed tow truck under certain conditions, including that passengers are using seatbelts and child restraints, if they are otherwise required by law.

**Votes on Final Passage:**

Senate	49	0
House	92	0 (House amended)
Senate	47	0 (Senate concurred)

**Effective:** July 28, 2013

## SB 5052

C 210 L 13

Increasing the number of superior court judges in Whatcom county.

By Senators Ericksen, Ranker, Shin, Padden and Kohl-Welles; by request of Board For Judicial Administration.

Senate Committee on Law & Justice  
House Committee on Judiciary  
House Committee on Appropriations Subcommittee on General Government

**Background:** The number of superior court judges in Washington counties is authorized by statute. The Administrator for the Courts examines the need for new superior court judge positions under an objective workload analysis. The analysis is a statistical model based on workload. The two key components in the analysis are the processed caseload and the number of available judicial officers. Once the analysis is complete, the Board for Judicial Administration reviews the results and makes recommendations to the Legislature.

Article 4, section 13 of the Washington State Constitution provides that the state and the county share the cost for superior court judges. A superior court judge's benefits and one-half of the salary are paid by the state. The county pays one-half of the judge's salary.

Currently, Whatcom County has three superior court judges.

**Summary:** An additional judicial position is created in Whatcom County, changing the number of superior court judges from three to four. The addition of this judicial position is contingent on Whatcom County documenting its approval of the position by county legislative authority, and agreeing that Whatcom County pay for the expenses of the position without compensation from the state.

**Votes on Final Passage:**

Senate	48	1
House	91	6

**Effective:** July 28, 2013

**ESB 5053**

C 267 L 13

Modifying vehicle prowling provisions.

By Senators Harper, Tom, Roach, Murray, Kohl-Welles, Eide, Carrell and Shin.

Senate Committee on Law & Justice  
House Committee on Public Safety

**Background:** A person commits the crime of vehicle prowling in the first degree when that person enters or remains unlawfully in a motor home or vessel equipped for propulsion by mechanical means or by sail which has a cabin equipped with permanently installed sleeping quarters or cooking facilities, and the person intends to commit a crime against a person or property inside. Vehicle prowling in the first degree is a class C felony ranked at level I on the sentencing grid, which is punishable by 0 - 60 days of confinement and a fine of up to \$10,000 for a first offense.

A person commits the crime of vehicle prowling in the second degree when that person enters or remains unlawfully in a vehicle with the intent to commit a crime against a person or property inside. Vehicle prowling in the second degree is a gross misdemeanor. A gross misdemeanor is punishable by up to 364 days of confinement and a fine of up to \$5,000.

**Summary:** Vehicle prowling in the second degree is a class C felony upon a third or subsequent conviction of vehicle prowling in the second degree.

Vehicle prowl incidents charged in one charging document will not count as multiple offenses for the purpose of charging felony vehicle prowl. Vehicle prowl incidents that occur on the same date will not count as multiple offenses for the purpose of charging felony vehicle prowl.

The third or subsequent offense for the crime of vehicle prowling in the second degree is a level IV offense on the sentencing grid.

**Votes on Final Passage:**

Senate	48	0	
House	96	1	(House amended)
Senate	46	0	(Senate concurred)

**Effective:** July 28, 2013

**SB 5056**

C 156 L 13

Allowing a person to apply for a work permit for the employment of minors without completing a new master application under certain circumstances.

By Senators Honeyford, Keiser, Shin and Hewitt.

Senate Committee on Commerce & Labor  
House Committee on Labor & Workforce Development

**Background:** An employer seeking to hire a minor must obtain a minor work permit endorsement through the employer's master business license application. The master business license application is a form used to apply for various state licenses, registrations, and permits, and an employer seeking to hire minors must complete all sections of the application. The processing fee for a business license application is \$15.

**Summary:** An employer seeking a minor work permit endorsement is not required to complete an entirely new business license application. The employer need only complete those parts of the application that identify the employer and indicate the employer's plans to hire one or more minors, the duties of the minors, and the estimated number of hours to be worked by minors.

**Votes on Final Passage:**

Senate	49	0
House	95	0

**Effective:** July 28, 2013

SSB 5072  
C 211 L 13

Concerning a sales and use tax exemption for disabled veterans and members of the armed forces for certain equipment and services that assist physically challenged persons to safely operate a motor vehicle.

By Senate Committee on Ways & Means (originally sponsored by Senators Delvin, Hobbs, Baumgartner, Becker, Carrell, Roach, Schoesler, Holmquist Newbry, Hatfield, Hewitt, Shin, Keiser and Rolfes).

Senate Committee on Ways & Means  
House Committee on Community Development, Housing & Tribal Affairs  
House Committee on Finance

**Background:** Retail sales and use taxes are imposed by the state, most cities, and all counties. Retail sales taxes are imposed on retail sales of most articles of tangible personal property, digital products, and some services. A retail sale is a sale to the final consumer or end user of the property, digital product, or service. If retail sales taxes were not collected when the property, digital products, or services were acquired by the user, then use taxes apply to the value of most tangible personal property, digital products, and some services when used in this state. The state sales and use tax rate is 6.5 percent. Local tax rates vary from 0.5 percent to 3.0 percent, depending on the location.

The United States Department of Veteran's Affairs (VA) has a program that provides automobile adaptive equipment and training necessary for disabled veterans or active servicepersons with certain injuries to enter, exit, and operate a motor vehicle. The program pays for equipment and training by way of grants. The VA is required to pay the benefit to the seller of the vehicle and cannot make payment to the veteran or serviceperson. The adaptive equipment that is installed on a vehicle is subject to the sales and use tax.

**Summary:** A sales and use tax exemption is provided for prescribed add-on automotive adaptive equipment, including charges for labor and services in respect to installation and repair of such equipment. The exemption only applies if the eligible purchaser is reimbursed in whole or part for the purchase by the federal government.

The eligible purchaser must be a veteran, or member of the armed forces serving on active duty, who is disabled, regardless of whether the disability is service connected as defined by federal statute.

Add-on automotive adaptive equipment is equipment installed in, and modifications made to, a motor vehicle, that are necessary to assist physically challenged persons to enter, exit, or safely operate a motor vehicle.

**Votes on Final Passage:**

Senate	47	0	
House	96	0	(House amended)
Senate	47	0	(Senate concurred)

**Effective:** August 1, 2013

SSB 5077  
PARTIAL VETO  
C 23 L 13

Making technical corrections to certain gender-based terms.

By Senate Committee on Commerce & Labor (originally sponsored by Senators Kohl-Welles, Holmquist Newbry and Keiser; by request of Statute Law Committee).

Senate Committee on Commerce & Labor  
House Committee on Judiciary

**Background:** Since 1983 state law has required that all statutes be written in gender-neutral terms, unless a specification of gender is intended. In 2007 the Legislature passed ESB 5063, an act relating to removing gender references. The act changed gender-specific terms to gender-neutral terms in several chapters of the Revised Code of Washington (RCW), including those chapters dealing with firefighters, police officers, bondspersons, and material suppliers. The Legislature directed the Code Reviser, in consultation with the Statute Law Committee, to develop and implement a plan to correct gender-specific references in the entire RCW. The Code Reviser must make annual legislative recommendations to make the RCW completely gender-neutral by June 30, 2015.

**Summary:** Gender-specific terms and references are made gender-neutral in several RCW Titles. For example, references to his are changed to his or her and clergyman is changed to member of the clergy. Titles relating to public service are included and made gender-neutral throughout.

**Votes on Final Passage:**

Senate	48	0
House	70	22

**Effective:** July 28, 2013  
December 1, 2013 (Section 43)

**Partial Veto Summary:** The Governor vetoed two sections of the bill that were duplicated.

**VETO MESSAGE ON SSB 5077**

*April 22, 2013*

*To the Honorable President and Members,  
The Senate of the State of Washington*

*Ladies and Gentlemen:*

*I am returning, without my approval as to Sections 371 and 622, Substitute Senate Bill 5077 entitled:*

*"AN ACT Relating to technical corrections to gender-based terms."*

*Section 371 is identical to Section 370. Section 622 is identical to Section 621.*

*For these reasons, I have vetoed Sections 371 and 622 of Substitute Senate Bill 5077.*

*With the exception of Sections 371 and 622, Substitute Senate Bill 5077 is approved.*

Respectfully submitted,



Jay Inslee  
Governor

## E2SSB 5078

C 212 L 13

Modifying the property tax exemption for nonprofit fairs.

By Senate Committee on Ways & Means (originally sponsored by Senators Ericksen, Smith, Hatfield, Baumgartner, Chase and Shin).

Senate Committee on Agriculture, Water & Rural Economic Development

Senate Committee on Ways & Means

House Committee on Finance

**Background:** Agricultural fairs are divided into four categories. Area fairs are organized to serve an area larger than one county. County and district fairs are organized to serve single counties and are under the direct control of county commissioners. Community fairs are organized primarily to serve a smaller area than an area or county fair. Youth shows and fairs serve three or more counties, educate and train rural youth, and are approved by Washington State University or the Office of Superintendent of Public Instruction. According to the Washington State Department of Agriculture, there are 33 county fairs, four area fairs, 17 community fairs, and 12 youth fairs.

In holding with agricultural fairs being declared in the public interest, these fairs may receive allocations from the fair fund. The fair fund, in the custody of the state treasury, receives money from the state general fund and from the horseracing commission, if any surplus remains at the close of the fiscal biennium after all commission expenses are paid.

Counties have the authority to designate a nonprofit corporation as the exclusive agency to operate and manage fairs and to provide a revolving fund to be used by fair officials for the conduct of the fair.

All real and personal property is subject to property tax each year based on its value, unless a specific exemption is provided by law. Real and personal property of a nonprofit fair association that sponsors or conducts a county fair is exempt from property tax. The property must be used exclusively for fair purposes. Loan or rental of the property to other property tax exempt organizations or to fair concessionaires does not nullify the exemption if the rental income is reasonable and is solely devoted to maintenance of the property.

**Summary:** The authority of nonprofit fair associations to receive funds from the horse racing commission is deleted.

Except for nonprofit fair associations having property valued at more than \$15 million, the real and personal

property of a nonprofit fair association that is eligible to receive support from the fair fund is exempt from taxation.

The exemption from taxation is for real and personal property previously owned by a city. When this property is acquired by a nonprofit fair association and used for fair purposes by the association, if the majority of the property was acquired from a county or city between 1995 and 1998, the exemption applies.

The requirement that the property must have been used for fair purposes by the city is removed.

This exemption will end for taxes levied for collection in 2019 and thereafter.

An intent section is added.

### Votes on Final Passage:

Senate	47	0	
House	86	10	(House amended)
Senate	47	0	(Senate concurred)

**Effective:** July 28, 2013

## ESSB 5082

C 228 L 13

Concerning exchange facilitator requirements.

By Senate Committee on Financial Institutions, Housing & Insurance (originally sponsored by Senators Benton and Smith).

Senate Committee on Financial Institutions, Housing & Insurance

House Committee on Business & Financial Services

**Background:** The Internal Revenue Code (26 U.S.C. 1031) (Code) provides that no gain or loss is recognized on the exchange of property held for productive use in a trade or business or for investment. A tax-deferred exchange is a method by which a property owner trades one or more relinquished properties for one or more like-kind replacement properties. This enables a property owner to defer the payment of federal income taxes on the transaction. If the replacement property is sold, as opposed to making another qualified exchange, the property owner must pay tax on the original deferred gain plus any additional gain realized since the purchase of the replacement property. Section 1031 of the Code does not apply to exchanges of inventory, stocks, bonds, notes, other securities or evidence of indebtedness, or certain other assets.

The 1031 exchanges require the assistance of an exchange facilitator (facilitator) or qualified intermediary. The facilitator holds proceeds from the sale of the original property until those funds are applied to the purchase of the replacement property. While in the possession of the facilitator, funds may be deposited in a financial institution or placed in another investment.

In 2009, the Legislature passed E2SHB 1078 (Chapter 70, Laws of 2009) to regulate the activities of facilitators, which was in response to their recent investment activities

which resulted in significant asset losses to clients. Amongst other obligations, the Legislature required a facilitator to maintain a \$1 million dollar fidelity bond or deposit an equivalent amount of cash and securities into an interest-bearing or money market account; demonstrate compliance with the fidelity bond and insurance requirements if requested by a current or prospective client; and act as a custodian for all exchange funds, property, and other items received from the client. The Legislature also held a facilitator criminally and civilly liable for engaging in certain prohibited practices such as making false or misleading material statements; commingling of funds, except as allowed; and failing to make disclosures required by any applicable state or federal law.

Facilitators were required to submit a report on their activities to the Department of Financial Institutions (DFI) at the end of 2009, which was later submitted in a report to the Legislature by DFI.

In 2012, the Legislature passed SSB 6295 (Chapter 34, Laws of 2012) in response to white collar criminal activity by a facilitator in the local facilitator industry, resulting in over \$800,000 financial loss to residents of this state.

SSB 6295 (Chapter 34, Laws of 2012) provided that a person engaged in the facilitator business must either maintain a fidelity bond for at least \$1 million dollars which covers the dishonest acts of employees and owners, or deposit all exchange funds in a qualified escrow account or qualified trust. The qualified escrow account or qualified trust must require the facilitator and the client to independently authenticate a record of any withdrawal or transfer from the account. Facilitators must provide a disclosure statement on the company website and in the contractual agreement regarding the fidelity bond and qualified escrow account or trust. Additionally, facilitators must disclose any financial benefits they may receive for recommending other products or services to clients. Failure to comply with the requirements of the new law is prima facie evidence that the facilitator intended to defraud a client who suffered a subsequent loss of assets entrusted to the facilitator. With limited exceptions, a facilitator is guilty of a class B felony for noncompliance. A current client of a facilitator may receive treble damages and attorneys' fees as part of the damages awarded in a civil suit against the facilitator for violation of these requirements.

SSB 6295 (Chapter 34, Laws of 2012) also required a stakeholder taskforce, comprised of DFI, the Office of Insurance Commissioner, facilitators, and title holders, to convene over the interim to identify effective regulatory procedures for the facilitator industry and provide specific recommendations to the Legislature by December 1, 2012. The stakeholder taskforce met for two hours on three separate occasions over the interim. Key recommendations for improvement were identified, negotiated, and incorporated into draft legislation, and a report of the taskforce interim activities was prepared. Provisions concerning what

is covered under a fidelity bond is an unsettled issue for the facilitator industry.

**Summary:** A person engaged in the facilitator business must provide the client with a disclosure document prior to any contractual agreement between the parties and post on their website a disclosure notice which explicitly states that facilitator services are not regulated by any state agency. The facilitator must deposit client funds into a separately identifiable account. The client must receive independent access to the current account statement from the financial institution in order to verify that the exchange funds have been deposited by the facilitator. The facilitator must return to the client all earnings credited to the separately identified account.

A new definition is added to the exchange facilitator statute. Covered dishonest act is defined as a crime involving fraud, embezzlement, misappropriation of funds, robbery, or other theft of property. Exchange facilitators must maintain a fidelity bond for the benefit of the client that suffers a direct financial loss as a result of the exchange facilitator's covered dishonest act.

The chartering requirements of a bank, credit union, savings and loan association, savings bank, or trust company, for purposes of this statute, are amended. The definition of financial institution includes entities chartered under the laws of any state within the United States.

The criminal intent of – knowingly or with criminal negligence – referenced under RCW 19.310.100 is moved to RCW 19.310.120; however, the required intent is not modified.

**Votes on Final Passage:**

Senate	47	0	
House	95	0	(House amended)
Senate	47	0	(Senate concurred)

**Effective:** July 28, 2013

**SB 5092**

C 229 L 13

Providing an exemption from continuing competency requirements for registered nurses who seek advanced nursing degrees.

By Senators Benton, Shin, Braun, Roach and Honeyford.

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

**Background:** The Nursing Care Quality Assurance Commission (Commission) regulates the nursing profession by setting licensing requirements, standards of practice, continuing competency requirements, and disciplinary standards. Rules, policies, and procedures developed by the Commission must promote the delivery of quality health care to Washington citizens. The 15 commission members are appointed by the Governor to four year terms and include 12 nurses and three public members.

The Commission determines licensing examination requirements for registered nurse, advanced registered nurse practitioner, and licensed practical nurse applicants. Registered nurses must renew their registration every year on or before their birthday. In order to renew their registration, registered nurses must complete 531 practice hours and 45 continuing education hours every three years. Nursing practice means the performance of acts requiring substantial specialized nursing knowledge, judgment, and skills as set by current law under RCW 18.70.040 through 18.79.060. The Commission permits nurses to meet the practice hours for continuing competency requirements by working in paid or unpaid positions which require a nursing license.

**Summary:** The Commission must adopt rules on continuing competency which include exemptions from the continuing competency requirements for nurses seeking advanced nursing degrees. The Commission may adopt rules regarding other exemptions for nurses enrolled in advanced education programs as well.

**Votes on Final Passage:**

Senate	49	0	
House	97	0	(House amended)
Senate	48	0	(Senate concurred)

**Effective:** July 28, 2013

**ESSB 5095**

C 157 L 13

Concerning proof of required documents for motor vehicle operation.

By Senate Committee on Financial Institutions, Housing & Insurance (originally sponsored by Senators Roach, Tom, Rivers, Becker, Holmquist Newbry, Schoesler, Ericksen, Padden, Bailey, Hill and Honeyford).

Senate Committee on Transportation

Senate Committee on Financial Institutions, Housing & Insurance

House Committee on Transportation

**Background:** Persons operating vehicles in Washington are required to carry proof that they are covered by a motor vehicle liability insurance policy, self-insurance, a certificate of deposit, or a liability bond. Insurance companies that issue or renew motor vehicle liability insurance policies must provide the policyholder with an insurance identification card. Failure to provide proof of insurance when requested to do so by a law enforcement officer creates a presumption that the person does not have insurance. Failure to provide proof of insurance is a traffic infraction.

**Summary:** The options for providing proof of insurance and registration are expanded. A policyholder may provide proof of insurance and registration to a law enforcement officer either through information displayed on a card, paper, or on a portable electronic device. If a policy-

holder provides a portable electronic device for proof of insurance, the policyholder assumes all liability for any damage to the portable electronic device while in the possession of the law enforcement officer.

The viewing of content on a portable electronic device is limited when used for proof of insurance. A law enforcement officer may only use the portable electronic device to view and verify proof of insurance and is restricted from viewing or browsing for other content on the portable electronic device.

**Votes on Final Passage:**

Senate	48	0	
Senate	48	0	(Senate reconsidered)
House	94	1	

**Effective:** July 28, 2013

**ESB 5099**

C 328 L 13

Concerning fuel usage of publicly owned vehicles, vessels, and construction equipment.

By Senator Rivers.

Senate Committee on Governmental Operations

House Committee on Environment

**Background:** By the year 2015, all state agencies must satisfy 100 percent of their fuel needs for all vessels, vehicles, and construction equipment from electricity or biofuels. By June 1, 2010, the Department of Commerce (Commerce) must adopt rules to address criteria and a phase-in schedule for state agencies and local government subdivisions of the state to convert their fleet to electricity and biofuels. Compressed natural gas, liquefied natural gas, or propane may be substituted for electricity or biofuel if Commerce determines that electricity and biofuel are not reasonably available.

By the year 2018, cities and counties must satisfy 100 percent of their fuel needs for all vessels, vehicles, and construction equipment from electricity or biofuels. By June 1, 2015, Commerce must adopt rules to address criteria and a phase-in schedule for cities and counties to convert their fleet to electricity and biofuels. Transit agencies using compressed natural gas on June 1, 2018, are exempt from this requirement.

In order to phase in this requirement, state agencies and local governments, to the extent practicable as determined by Commerce, must achieve 40 percent fuel usage using electricity or biofuel for publicly owned vessels, vehicles, and construction equipment by June 1, 2013.

**Summary:** Commerce must convene an advisory committee of representatives of local government subdivisions, representatives from organizations representing each local government subdivision, and a representative from either an electric utility or a natural gas utility to work with Commerce to develop the rules. Commerce

may invite additional stakeholders to participate in the advisory committee as needed.

The rules adopted by Commerce must include the authority for local government subdivisions to elect to exempt police, fire, and other emergency response vehicles, including utility vehicles used for emergency response, from the fuel usage requirement. If a local government subdivision elects to exempt emergency response vehicles, a local government subdivision must provide notice to Commerce. The notice must include the rationale for the exemption and an explanation of how the exemption is consistent with the rules adopted by Commerce.

Engine retrofits that would void warranties are exempt from the requirement that, by the year 2018, cities and counties satisfy 100 percent of their fuel needs for all vessels, vehicles, and construction equipment from electricity or biofuels. Additionally, compliance with this requirement is not intended to require replacement of equipment before the end of its useful life.

A local government subdivision purchasing vessels, vehicles, and construction equipment using biodiesel must request warranty protection for the highest level of biodiesel that can be used, up to 100 percent biodiesel, as long as the costs are reasonably equal to a vessel, vehicle, or construction equipment item that is not warranted to use up to 100 percent biodiesel.

**Votes on Final Passage:**

Senate	46	2	
House	96	1	(House amended)
Senate	45	2	(Senate concurred)

**Effective:** July 28, 2013

**SB 5102**

C 245 L 13

Concerning veterinarian immunity from liability when reporting suspected animal cruelty.

By Senators Pearson, Darneille, Padden, Kohl-Welles and Conway.

Senate Committee on Law & Justice

House Committee on Judiciary

**Background:** The state's laws for the prevention of cruelty to animals prohibits certain practices and activities involving animals. Animal cruelty in the first degree involves inflicting substantial pain on, causing physical injury to, or killing an animal by a means that causes undue suffering. Animal cruelty in the first degree is a class C felony.

Animal cruelty in the second degree is committed when a person knowingly, recklessly, or with criminal negligence inflicts unnecessary suffering or pain upon an animal. An owner may commit this crime by failing to provide necessary food, water, shelter, rest, or medical at-

tention, or by abandoning the animal. Animal cruelty in the second degree is a gross misdemeanor.

The animal cruelty law contains a number of exemptions, including licensed research institutions; accepted husbandry practices in the commercial raising or slaughtering of livestock; the customary use of animals in rodeos or fairs; the killing of animals for food; and practices authorized under the game laws.

Immunity from liability means a person is free or exempt from a civil or legal penalty or burden.

**Summary:** A lawfully licensed veterinarian who reports, in good faith and in the normal course of business, a suspected incident of animal cruelty to the proper authorities is immune from liability in any civil or criminal action brought against the veterinarian for reporting the suspected incident.

A veterinarian's immunity is limited to situations where the veterinarian receives no financial benefit from the suspected animal cruelty case, beyond payment for services rendered prior to making a report of suspected animal cruelty.

**Votes on Final Passage:**

Senate	49	0	
House	93	0	(House amended)
Senate	47	0	(Senate concurred)

**Effective:** July 28, 2013

**ESB 5104**

C 268 L 13

Placing epinephrine autoinjectors in schools.

By Senators Mullet, Frockt, Hatfield, Litzow, Ericksen, Fain and Kohl-Welles.

Senate Committee on Early Learning & K-12 Education

House Committee on Education

House Committee on Appropriations Subcommittee on Education

**Background:** An epinephrine autoinjector is a medical device used to deliver a measured dose of epinephrine, also known as adrenaline, using autoinjector technology, most frequently for the treatment of acute allergic reactions to avoid or treat the onset of anaphylactic shock.

An autoinjector is a medical device designed to deliver a single dose of a particular, typically life-saving, drug. Most autoinjectors are spring-loaded syringes.

Anaphylactic shock is a serious allergic reaction that is rapid in onset and may cause death. It typically causes a number of symptoms including an itchy rash, throat swelling, and low blood pressure. Common causes include insect bites or stings, foods, and medications.

Trade names for an epinephrine autoinjector device include EpiPen, Twinject, AdrenaClick, Anapen, Jext, Allerject, and Auvi-Q.

**Summary:** School districts and nonpublic schools are allowed to maintain a supply of epinephrine autoinjectors at schools. Licensed health professionals with prescription authority may prescribe epinephrine autoinjectors in the name of the school district or school that can be maintained for use at the school. Epinephrine prescriptions must have a standing order for the administration of school-supplied, undesignated epinephrine autoinjectors for potentially life-threatening allergic reactions. Epinephrine autoinjectors may be donated to schools, but must be accompanied by a prescription.

If a student does have a prescription for epinephrine, the school nurse or designated trained school personnel may administer an epinephrine autoinjector maintained by the school to respond to an anaphylactic reaction under a standing protocol.

If a student does not have a prescription for epinephrine, the school nurse may administer an epinephrine autoinjector maintained by the school.

Epinephrine autoinjectors may be used on school property, including the school bus, and during sanctioned trips away from school property. The school nurse or designated trained school personnel may carry epinephrine autoinjectors on these trips.

If a student is harmed due to the administration of epinephrine:

- licensed health professionals and pharmacists may not be liable for the injury unless they issued the prescription with a conscious disregard for safety; and
- school employees, schools, school districts, the governing board, and the chief administrator are not liable if the school employee administering the epinephrine did so in substantial compliance with a prescription and policies of the district.

School employees, except licensed nurses, who do not agree in writing to using epinephrine autoinjectors as part of their job description, may file with the school district a written letter of refusal to use epinephrine autoinjectors. This letter may not serve as grounds for actions negatively affecting the employee's contract status.

The Office of Superintendent of Public Instruction must make a recommendation to the Legislature by December 1, 2013, regarding whether to designate other trained school employees to administer epinephrine autoinjectors to students without prescriptions when a school nurse is not in the vicinity.

**Votes on Final Passage:**

Senate	48	0	
House	96	0	(House amended)
Senate	47	0	(Senate concurred)

**Effective:** July 28, 2013

**ESB 5105**

C 266 L 13

Asserting conditions under which the department of corrections provides rental vouchers to an offender.

By Senators Dammeier, Harper and Pearson.

Senate Committee on Human Services & Corrections  
 Senate Committee on Ways & Means  
 House Committee on Public Safety  
 House Committee on Appropriations Subcommittee on General Government

**Background:** Offenders committed to a correctional facility operated by the Department of Corrections (DOC) earn early release time for good behavior and good performance. The percentage of the sentence which can be earned varies depending on the circumstances of the offender's underlying offense and date of conviction. Offenders subject to community custody are under the supervision of DOC upon release.

Before an offender may be released early from confinement to community custody, DOC must approve the offender's release plan. The release plan includes the specific residence and living arrangements of the offender. DOC can deny the offender's release plan and release if it determines that the plan places the community or specific victims at risk, if it violates the terms of supervision, or if it places the offender at risk to reoffend or violate the conditions of supervision.

DOC can provide rental vouchers to the offender for a period of up to three months if the rental voucher will result in an approved release plan. The voucher must be provided in conjunction with additional transition support programming or services including, but not limited to, substance abuse treatment, mental health treatment, sex offender treatment, education programming, or employment programming.

**Summary:** DOC must maintain a list of housing providers that meets specifically outlined criteria. If a housing provider will house more than two voucher recipients in a dwelling unit, the housing provider must be on the DOC list in order to receive rental vouchers. For providers with between four and eight beds, or a greater number if permitted by local code, DOC must provide transition support that verifies an offender is participating in programming or services. DOC must consider the compatibility of the housing with the surrounding neighborhood and underlying zoning and must limit the concentration of housing providers who provide housing to sex offenders in a single neighborhood or area.

Anytime a new housing provider or location is added to the list of housing providers, DOC must give notice to local government where the housing is located. The local government may provide DOC with a community impact statement that includes the number and location of other special-needs housing in the neighborhood and a review of



## ESSB 5110

services and supports in the area to assist offenders in their transition. DOC must consider the community impact statement in determining whether to add the provider to the list.

If the provider does not have a certificate of inspection as required by law and local regulation, the local government has ten days to inspect the housing. If local government determines that the housing is in a neighborhood with an existing concentration of special-needs housing, local government may request that the housing provider be removed from the list within ten days of receiving notice of the new provider.

Local government may request that a housing provider be removed from the list at any time if it finds the housing does not comply with state and local codes or zoning regulations. After receiving a request for removal, DOC must immediately notify the housing provider. If the provider cannot demonstrate compliance with the reasons for the request for removal, DOC must remove the provider from the list.

### Votes on Final Passage:

Senate	49	0	
House	96	0	(House amended)
Senate	48	0	(Senate concurred)

**Effective:** July 28, 2013

## ESSB 5110

C 24 L 13

Concerning local government purchasing of supplies, materials, or equipment.

By Senate Committee on Governmental Operations (originally sponsored by Senators Tom, Murray, Hill and McAuliffe).

Senate Committee on Governmental Operations  
House Committee on Local Government

**Background:** When making large purchases of supplies, materials, or equipment from private suppliers, local governments must generally award contracts to the lowest bidder. However, local governments that impose sales and business and occupation taxes may consider the tax revenue they would receive if they purchased the items from a local supplier. Local governments may only consider sales and business taxes they impose—not sales and business taxes imposed by other local governments. After considering that tax revenue, local governments must award contracts to the lowest bidder.

Generally, with respect to transactions involving in-state sellers and buyers, sales taxes are collected based on a buyer's location. However, sales taxes on certain items, including motor vehicles, are collected based on a seller's location. This can result in a local government awarding a contract outside of its jurisdiction due to the tax differential.

**Summary:** A local government authorized to impose sales and business and occupation taxes may award a contract for purchase of supplies, materials, or equipment to the lowest bidder before sales and business and occupation taxes imposed by any local government are applied. The local government must provide notice of its intent to award a contract based on this method prior to submission of bids.

### Votes on Final Passage:

Senate	48	0
House	57	37

**Effective:** July 28, 2013

## SB 5113

C 269 L 13

Concerning the enforcement of speed limits on roads within condominium associations.

By Senators Bailey, Padden, Carrell, Roach, Benton and Hobbs.

Senate Committee on Financial Institutions, Housing & Insurance

House Committee on Transportation

**Background:** Homeowners' associations (HOAs) generally levy and collect assessments, manage and maintain common property for the benefit of the residents, and enforce covenants that govern developments. The authority to carry out these functions comes from governing documents, such as the declaration of covenants, conditions, and restrictions.

Restrictive covenants are recorded in property deeds and may regulate broad issues. A person who purchases property governed by an HOA, and subject to restrictive covenants, becomes a member of the association and must generally abide by the restrictive covenants.

Under current law, state, local, or county law enforcement personnel may enforce speeding violations on private roads in an HOA if:

- a majority of the HOA's board of directors votes to authorize the issuance of speeding infractions and declares a speed limit not lower than 20 miles per hour;
- a written agreement regarding the speed enforcement is signed by the HOA's president and chief law enforcement official from the city or county within whose jurisdiction the private road is located;
- the HOA has provided written notice to all of the homeowners describing the new authority to issue speeding infractions; and
- signs have been posted declaring the speed limit at all vehicle entrances to the community.

**Summary:** State, local, or county law enforcement personnel may enforce speeding violations on private roads in

condominium associations and apartment associations, so long as the provisions required for HOAs are met by the associations.

**Votes on Final Passage:**

Senate	49	0	
House	92	5	(House amended)
Senate	47	0	(Senate concurred)

**Effective:** July 28, 2013

**SB 5114**

C 25 L 13

Regarding access to K-12 campuses for occupational or educational information.

By Senators Bailey, Hobbs, Roach, Becker, Carrell, Dammeier, Benton, Honeyford, Padden and King.

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

**Background:** State law mandates that if a school board provides access to the campus and student information directory to people or groups that make students aware of occupational or educational options, then the board must provide the same access to military recruiters for the purpose of informing students of educational and career opportunities in the military.

Under the federal No Child Left Behind Act, school districts receiving federal funds must provide military recruiters the same access to secondary school students that is provided to post-secondary educational institutions or to prospective employers.

**Summary:** In the event that a school district provides access to post-secondary occupational or educational representatives, access also must be provided to recruiters from the Job Corps, Peace Corps, and AmeriCorps. The access provided to military recruiters and those from the Job Corps, Peace Corps, and AmeriCorps must be equal to and no less than the access provided to other post-secondary occupational or educational representatives. The word access is defined to include, but not be limited to, the number of days provided and the type of presentation space.

**Votes on Final Passage:**

Senate	44	5
House	91	2

**Effective:** July 28, 2013

**SSB 5135**

C 246 L 13

Concerning judicial proceedings and forms.

By Senate Committee on Law & Justice (originally sponsored by Senators Pearson, Kline and Padden).

Senate Committee on Law & Justice  
House Committee on Judiciary

**Background:** A jury source list is a list of all registered voters of a county, merged with a list of licensed drivers and identocard holders who reside in that county. Information provided to the court for preliminary determination of qualification for jury duty may only be used for the term the person is summoned and may not be used for any other purpose. Jury source lists are used to create a master list from which jurors are randomly selected. The jurors drawn for service are summoned by mail or personal service. The court clerk must report nondelivery of summons of persons summoned for jury duty to the county auditor.

Disputes in trust and estate matters may be resolved using nonjudicial methods. If mediation, arbitration, or agreement are unsuccessful, judicial resolution of a trust and estate dispute may be resolved by the court. These judicial proceedings may be commenced as new actions or as actions incidental to other proceedings relating to the same trust, estate, or nonprobate asset. These actions may also be converted into separate actions.

In proceedings to adjudicate parentage, the court may close the proceeding for good cause. Final orders in parentage proceedings are available for public inspection.

**Summary:** The court clerk is no longer required to report a summons as undeliverable, for persons summoned for jury duty, to the county auditor.

Judicial proceedings in trust and estate matters must be commenced as new actions. They may be consolidated with existing proceedings, but they may no longer be converted into separate actions.

Records entered prior to the final order determining parentage are accessible only to the parties or on order of the court for good cause. Final orders in parentage proceedings are available for public inspection. Except as provided by court rules, records entered after entry of a final order determining parentage are publicly accessible.

**Votes on Final Passage:**

Senate	49	0
House	94	0 (House amended)
Senate	48	0 (Senate concurred)

**Effective:** July 28, 2013

**SB 5136**  
C 188 L 13

Concerning electronic presentment of claims against the state arising out of tortious conduct.

By Senators Padden and Kline; by request of Department of Enterprise Services.

Senate Committee on Law & Justice  
House Committee on Judiciary

**Background:** Claims for tortious conduct can be brought against the state. Under current law, a claim is presented when the claim form is delivered in person or by regular mail, registered mail, or certified mail with return receipt requested to the risk management division of the Department of Enterprise Services (DES). All claims for damages after July 26, 2009, must be presented on the standard tort claim form provided by the risk management division on the Office of Financial Management's website. Instructions for presenting the claim form must be provided and include the name, address, and business hours of the risk management division.

The claim form must be signed by the claimant, an attorney in fact pursuant to a power of attorney, an attorney admitted in Washington on the claimant's behalf, or a court-approved guardian or guardian ad litem on the claimant's behalf.

**Summary:** A claim can be presented as an attachment to e-mail or by fax to the office of risk management of the DES. If a claim is delivered electronically, an electronic signature must be used. An electronic signature is defined as an original signature that is placed on the claim form and executed or adopted by the person with the intent to sign the form.

When an electronic signature is used and the claim is submitted as an attachment to e-mail, the conveyance of the claim must include the date, time, and internet address from which it was sent. The attached claim form must be in a format approved by the office of risk management. When an electronic signature is used for a form submitted by fax, the conveyance must include the date, time, and fax number from which it was sent. A claimant has the opportunity to cure in the event of a question with respect to an electronic signature. The cured notice relates back to the date of the original filing.

The standard tort claim form must be posted on the DES's website. The claim form and its instructions must state the physical and electronic addresses and numbers where the form can be submitted.

**Votes on Final Passage:**

Senate	49	0	
House	96	1	(House amended)
Senate	47	0	(Senate concurred)

**Effective:** July 28, 2013

**SB 5139**  
C 7 L 13

Concerning milk and milk products.

By Senators Hatfield, Schoesler, Hobbs, Honeyford and Shin.

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

**Background:** Licensing of all aspects of the dairy production and processing industry by the Washington State Department of Agriculture (WSDA) is required to protect the public from milk and milk products that are unsafe. Milk is considered unsafe if it is produced under unsanitary conditions; does not meet bacterial standards under the pasteurized milk ordinance (PMO) published by the United States Public Health Service of the Food and Drug Administration (FDA); or is below federal and state quality standards.

The PMO is the basic standard used in the voluntary Cooperative State-FDA Program for the Certification of Interstate Milk Shipments. Among other things, the PMO establishes the standards for grade A milk processing plants, grade A pasteurized milk, and grade A raw milk as these terms are defined in Washington law. It is the standard for interstate milk shipments.

Bacteriological standards for milk intended to be consumed in the raw state require bacterial plate counts not exceeding 20,000 per milliliter and coliform plate counts not exceeding ten per milliliter. For milk intended for pasteurization, the bacterial plate count standard is 80,000 per milliliter. Temperature standards for both raw and pasteurized milk are that it be cooled to, and be maintained at, no more than 40 degrees within two hours of milking, so long as the blended temperature between the first and subsequent milkings does not exceed 50 degrees.

In discharging its duty to protect the public and in exercising the police powers of the state, the WSDA samples raw milk and raw milk destined for pasteurization. Sampling must occur at least four times in any consecutive six-month period. If any of the standards are not met in two of the last four consecutive tests, the WSDA must send notice to the person concerned. If another sampling taken at least three days later shows there is another violation, so that three of the last five consecutive samples exceed the limit of the same standard, then the WSDA may degrade the milk, suspend the producer's or processing plant's license, or assess civil penalties. Sampling of milk in processing plants must occur in at least four separate months.

Degrading milk means changing its grade from grade A to grade C for a period not to exceed 30 days. Grade C milk may be sold for cheese-making but not sold as fluid milk or grade A milk products. When a license is revoked, the milk may not be sold at all. A producer or processing plant may apply for the re-grading of its products or the reinstatement of its license. The WSDA must, then, take

further samples of not more than two samples per week to confirm that all violated items are corrected. If so, the WSDA must reinstate the grade or license.

The maximum civil penalty for standards violations is \$1,000 per day per violation. The WSDA must adopt rules to ensure that the penalties are equitably based on the volume of milk or milk product that fails to meet the standards. When the standards for antibiotics, pesticides, or other drug residues are violated, the producer is subject to a civil penalty of one half the value of the sum of the volumes of milk produced on the day before and the day of the adulteration.

The authority to assess civil penalties for noncompliance with grade requirements and for violation of standards for raw milk and for raw milk destined for pasteurization must be consistent with the 1995 PMO. The WSDA must adopt rules for imposing a civil penalty of not more than \$10,000 for a violation of the standards for the components of fluid milk, investigate the causes, and require correction. The WSDA has adopted the current 2009 PMO.

**Summary:** The sampling requirements are clarified by explicitly differentiating sampling milk from producers from sampling milk from processors. The standards against which these samples are compared are clarified to be bacteriological and cooling temperature standards. The requirement to take at least four samples in any consecutive six-month period is retained, but one failed sample triggers notice to the producer or processor. The three-day limitation on the timing of taking the second sample is deleted. Proceedings to degrade, suspend the license, or assess the civil penalty may begin whenever the standard is again violated.

Rulemaking is permissive for the creation of a matrix for assessment of civil penalties. The measures of civil penalties by volume of milk handled are deleted. The measure of civil penalty for antibiotics, pesticides, or other drug residue being above actionable levels is deleted. The director's authority to impose civil penalties for violation of the standards for component parts of fluid dairy products is clarified.

The civil penalty sections referring to the 1995 PMO and the limitation of \$10,000 on the penalty for the violation of the standards for the components of fluid milk and the specifics of its administration are repealed.

**Votes on Final Passage:**

Senate	49	0
House	97	0

**Effective:** July 28, 2013

**SB 5142**

C 26 L 13

Incorporating motorcycles into certain transportation planning.

By Senators Rolfes, Benton, Hargrove, Sheldon, Hatfield, Delvin, Ericksen, Keiser, Conway, Schlicher and Roach.

Senate Committee on Transportation  
House Committee on Transportation

**Background:** Commute Trip Reduction (CTR). CTR programs aim to reduce air pollution, traffic congestion, and consumption of transportation fuels through employer-based programs that reduce the number of commute trips made in single-occupant vehicles. The state's first CTR laws were passed in 1991 and incorporated into the Washington Clean Air Act. Employers develop and manage their own programs based on locally-adopted goals for reducing vehicle trips and miles traveled. More than 1000 worksites and 530,000 commuters statewide participate in the CTR program. A major employer's CTR program must contain certain elements, including specific measures designed to achieve the local jurisdiction's CTR goals. Current law specifies 15 measures that a major employer may choose to include in their CTR program, such as providing vanpools, permitting flexible work hours, and providing reduced parking charges and preferential parking for high occupancy vehicles. A major employer is defined as a private or public employer with 100 or more employees at a single worksite who begin work between 6:00 a.m. and 9:00 a.m.

Reserved or Preferential Highway Lanes. Current law provides the Department of Transportation (WSDOT) with general authority to restrict classes of vehicles from using the highways and to reserve certain lanes on the highway system for certain classes of vehicles.

Specific authority is provided to restrict lanes or ramps for exclusive or preferential use by public buses, high-occupancy vehicles (HOV), and certain other private buses and vehicles with specific occupancy capacities. Motorcycles are not specifically addressed in current statutes, but are included in WSDOT rules as vehicles authorized to use HOV lanes. Federal law requires states to allow motorcycles free access to HOV lanes unless doing so would create a safety hazard.

**Summary:** Providing reduced parking charges and preferential parking for motorcycles is added to the list of measures a major employer may choose to include in their CTR program.

Motorcycles are added to the statutory list of vehicles for which WSDOT is authorized to reserve certain highway lanes or ramps.

**Votes on Final Passage:**

Senate	48	0
House	67	30

**Effective:** July 28, 2013

**SB 5145**  
C 247 L 13

Allowing fire departments to develop a community assistance referral and education services program.

By Senators Keiser, Conway, Eide, Kohl-Welles, Shin and Schlicher.

Senate Committee on Governmental Operations  
House Committee on Public Safety

**Background:** In Washington, 911 services are primarily administered by counties, and in some cases, cities. Currently, four local fire agencies have developed Community Assistance Referral and Education Services (CARES) programs, including the Kent Regional Fire Authority, the Olympia Fire Department, the SeaTac Fire Department, and South King Fire and Rescue. CARES programs are intended to provide community outreach and assistance to residents of the area covered by the agency to advance injury and illness prevention within the community. CARES programs currently in place identify members of the community using the 911 system for nonemergency assistance calls and refer them to services such as primary care providers, other health care professionals, low-cost medication programs, and other social services.

The Health Care Personnel Shortage Task Force (Task Force) has 20 members, representing business, labor organizations, education, and government. The Task Force regularly updates a strategic plan which outlines actions for the Legislature, state and local agencies, educators, labor, health care industry employers, and workers to decrease the gap between supply and demand of health care personnel.

**Summary:** A fire department, fire protection district, or regional fire authority may develop a CARES program. The program should connect callers in low acuity – none-emergency or nonurgent – situations to primary care providers, health care professionals, low-cost medication programs, and other social services. Participating agencies may seek grant opportunities and private gifts to support a CARES program. The CARES program may coordinate with the Task Force to identify assistance, referral, and education service providers.

CARES programs must measure, at least annually, the reduction of repeated use of the 911 emergency system and reduction of avoidable emergency room trips attributable to the program. Results containing these findings must be reported to the Legislature or local governments upon request. Such findings should include the estimated amount of Medicaid dollars not spent as a result of any reduction in emergency room visits attributable to the program.

**Votes on Final Passage:**

Senate	48	0	
House	97	0	(House amended)
Senate	47	0	(Senate concurred)

**Effective:** July 28, 2013

**SB 5147**  
C 4 L 13

Concerning juveniles and runaway children.

By Senators Hargrove, Carrell, Hewitt, Darneille and Shin.

Senate Committee on Human Services & Corrections  
House Committee on Early Learning & Human Services

**Background:** Any person providing shelter to a minor who knows that the youth is absent from home without parental permission must notify the youth's parent, law enforcement, or the Department of Social and Health Services (DSHS) of the youth's location within eight hours of becoming aware that the youth is away from home without permission. A previous version of this bill, ESHB 2752, passed in 2010 with a sunset date, and its provisions expired on July 1, 2012.

**Summary:** Licensed overnight youth shelters or licensed organizations whose stated purpose is to provide services to homeless or runaway youth and their families must comply with the following notice requirements when providing services to a youth known to be away from home without permission:

- Within 72 hours, and preferably within 24 hours, shelter or organization staff must notify the youth's parents of the whereabouts of the youth, a description of the youth's physical and emotional condition, and the circumstances surrounding the youth's contact with the shelter or organization.
- If there are compelling reasons not to notify the parent, including but not limited to the possibility that the minor will be subjected to child abuse or neglect, the shelter or organization must instead notify DSHS.
- After learning that the minor is a runaway, the shelter or organization staff must consult the information made publicly available by the Washington State Patrol (WSP) at least once every eight hours.
- If the WSP indicates that the youth is reported as missing, the shelter or organization staff must immediately notify DSHS of its contact with the youth.

No person, unlicensed youth shelter, or runaway and homeless youth program is prohibited from immediately reporting the identity or location of any minor who is away from home without parental permission.

**Votes on Final Passage:**

Senate	49	0
House	89	7

**Effective:** July 28, 2013

**SSB 5148**

C 260 L 13

Allowing for redistribution of medications under certain conditions.

By Senate Committee on Health Care (originally sponsored by Senators Keiser, Becker, Cleveland, Conway, Frockt, Parlette, Rolfes, Kohl-Welles, Schlicher and Kline).

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

**Background:** Thirty-nine states have enacted laws to create prescription drug recycling, repository, or redistribution programs for unused medication. In general, drug redistribution programs allow the return of prescription drugs in single-use or sealed packaging from state programs, nursing homes, and other medical facilities. The medicines are then redistributed for use to needy residents who cannot afford to purchase their prescribed drugs. The scope of prescription drug programs varies by state and may include provisions that: direct the financial terms of the donations or regulate resale; assure purity, safety, and freshness of the products; restrict the donation of expired drugs; prohibit the donation of controlled substances; require a state-licensed pharmacist or pharmacy to be part of the verification and distribution process; require patients to possess a valid prescription for the drugs they receive; limit donations to cancer drugs; limit donations to those within long-term care facilities; or limit program participation to correctional facilities.

**Summary:** Any health care practitioner, pharmacist, medical facility, drug manufacturer, or drug wholesaler may donate prescription drugs and supplies to a pharmacy for redistribution to individuals who are uninsured and are at or below 200 percent of the federal poverty level. If an uninsured and low-income individual is not identified as in need of available prescription drugs and supplies, other individuals expressing need may receive those drugs. Participation by a pharmacy is voluntary. A pharmacy that receives prescription drugs or supplies may distribute these to another pharmacy, pharmacist, or prescribing practitioner for redistribution.

Prescription drugs and supplies may be accepted and dispensed by participating pharmacies if: the prescription drug is in its original, sealed, and tamper-evident packaging, or in an opened package if the single unit doses remain intact; the prescription drug bears an expiration date that is more than six months after the date the prescription drug was donated; the prescription drug or supplies are inspected before they are dispensed, and are determined to not be adulterated or misbranded; the prescription drug is dispensed by a pharmacist for the use of a person holding a prescription for those drugs or supplies; and other safety precautions adopted by the Department of Health are satisfied. Any donor who receives notice of a recall relating

to donated prescription drugs or supplies must notify the pharmacy of the recall; recalled medications may not be distributed.

Practitioners, pharmacists, medical facilities, drug manufacturers, and drug wholesalers who donate, accept, or dispense prescription drugs or supplies for redistribution are not subject to criminal prosecution, professional discipline, or civil liability for damages relating to the donation, acceptance, or dispensing of the prescription drug. This immunity does not apply if the entity commits acts or omissions that constitute gross negligence. To be eligible for this immunity, an individual who distributes donated prescription drugs must be in compliance with this Act, maintain records of donated drugs and supplies, and inform the public of the individual's participation in the program.

**Votes on Final Passage:**

Senate	49	0	
House	84	10	(House amended)
Senate	48	0	(Senate concurred)

**Effective:** July 1, 2014

**SB 5149**

C 270 L 13

Concerning crimes against pharmacies.

By Senators Carrell, Conway, Padden, Pearson, Braun, Dammeier and Parlette.

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

**Background:** Robbery is committed when a person unlawfully takes personal property from, or in the presence of, another person against that person's will by use or threatened use of immediate force, violence, or fear of injury to a person or property. A person is guilty of robbery in the first degree if:

- the person is armed with a deadly weapon, displays an apparent firearm or deadly weapon, or inflicts bodily injury during the robbery or immediate flight from the robbery; or
- the person commits robbery within and against a financial institution.

Robbery in the first degree is a class A felony, ranked at level of IX on the sentencing grid. The definition of most serious offense includes robbery in the first and second degree. A person who has been convicted of three most serious offenses is a persistent offender and may be sentenced to life in prison without the possibility of release.

A pharmacy is defined as every place licensed by the Board of Pharmacy where the practice of pharmacy is conducted, including dispensing drugs, monitoring drug therapy and use, and providing information on legend drugs.

## SSB 5152

**Summary:** A special allegation may be brought against a person who commits robbery in the first degree, if the person commits the robbery of a pharmacy. If the person is convicted and the allegation is proven beyond a reasonable doubt to the finder of fact, an additional 12 months must be added to the standard sentence range.

**Votes on Final Passage:**

Senate	48	0
House	93	4

**Effective:** July 28, 2013

### SSB 5152

C 286 L 13

Creating Seattle Sounders FC and Seattle Seahawks special license plates.

By Senate Committee on Transportation (originally sponsored by Senators Eide, King, Hobbs, Fain, Hatfield, Delvin, Murray, Frockt, Conway, Kohl-Welles and Shin; by request of Lieutenant Governor).

Senate Committee on Transportation  
House Committee on Transportation

**Background:** The Department of Licensing (DOL) issues special vehicle license plates that may be used in lieu of standard plates. A governmental or nonprofit organization seeking to sponsor a special plate either submits an application to DOL or requests legislation to create the special plate.

Revenues generated from the sale of a special license plate are first used to reimburse the motor vehicle account for any costs associated with establishing the new plate. After DOL determines that the state has been reimbursed for the cost of implementing the new plate, the remaining revenues are directed to various accounts and uses prescribed by the specific plate. DOL may also deduct up to \$12 for an original issue and \$2 for the renewal of a special plate to cover administration and collection expenses.

There is a moratorium on the issuance of new special license plates until July 1, 2013.

**Summary:** The Seattle Sounders FC special license plate, displaying the Seattle Sounds FC logo, and the Seattle Seahawks special license plate, displaying the Seattle Seahawks logo, are created. In addition to all fees and taxes that must be paid for a vehicle registration, a fee of \$40 is charged for an original issue Seattle Sounders FC or Seattle Seahawks special license plate, and a \$30 fee is charged upon renewal.

A professional sports franchise located within Washington State may sponsor a special license plate if the funds are used in conjunction with a nonprofit organization.

The remaining proceeds from the sale of the special license plate after the costs associated with establishing the plates are distributed as follows:

Seattle Sounders FC Special Plate. Up to 30 percent, not to exceed \$40,000 annually, adjusted for inflation by the Office of Financial Management goes to the Association of Washington Generals to develop educational, veterans, international relations, and civic projects, and to recognize the outstanding public service of individuals or groups.

Seventy percent and any of the remaining proceeds after distributions are made to the Association of Washington Generals are for the nonprofit organization, Washington State Mentors, to increase the number of mentors in the state by offering mentoring grants throughout Washington State that foster positive youth development and academic success. Up to 20 percent of this amount may be used for program administration costs.

Seattle Seahawks Special Plate. Proceeds are to be used by the nonprofit organization, InvestED, to encourage secondary students who have economic needs to stay in school, return to school, or get involved within their learning community.

The Seattle Sounders FC and the Seattle Seahawks special license plates are exempt from the temporary moratorium on special license plates.

**Votes on Final Passage:**

Senate	48	0
House	76	18

**Effective:** January 1, 2014

### ESSB 5153

C 230 L 13

Concerning transfers of clients between regional support networks.

By Senate Committee on Human Services & Corrections (originally sponsored by Senators Kohl-Welles, Carrell, Darneille, Pearson and Schlicher).

Senate Committee on Human Services & Corrections  
House Committee on Health Care & Wellness

**Background:** Adults and children in Washington who qualify for publicly-funded mental health services and have severe mental health needs are served by regional support networks (RSNs). An RSN is a locally-administered network of treatment providers which contracts with the state of Washington to provide outpatient, residential, and crisis mental health services within a defined geographic region. Washington is divided into 11 geographically distinct RSNs, which range in size from a single county to a group of up to ten counties.

RSNs receive a share of designated Medicaid and non-Medicaid funds based on a capitated reimbursement plan which provides funding based on the RSN's share of the state population. Each RSN assumes financial responsibility for providing services to all eligible persons within the RSN's geographic region. A client receiving services

in one RSN may request to transfer services to a different RSN, either because the client has moved away from the region covered by the original RSN, or because the client wishes to move and is seeking advance approval. Advance approval may be required, for example, for a client receiving residential care who wishes to move to a residential care facility within the borders of a different RSN. Neither currently formulated RSN contracts nor state law specifies procedures for approving requests for transfers between RSNs. As a consequence, transfer requests are negotiated between the RSNs on an ad hoc basis, and an RSN may choose to not cooperate with a proposed transfer or to make acceptance of the transfer conditional on receipt of payments or guarantees from the referring RSN.

**Summary:** The RSNs must jointly develop a uniform transfer agreement to govern the transfer of clients between RSNs. The uniform transfer agreement must be submitted to the Department of Social and Health Services (DSHS) by September 1, 2013. DSHS must establish guidelines to implement the agreement by December 1, 2013, and may modify the agreement as necessary to avoid impacts on state administrative systems.

**Votes on Final Passage:**

Senate	47	0	
House	94	0	(House amended)
Senate	47	0	(Senate concurred)

**Effective:** July 28, 2013

**2ESSB 5157**

C 29 L 13 E 2

Regulating child care subsidies.) (REVISED FOR SECOND ENGROSSED: Concerning child care subsidy fraud.

By Senate Committee on Human Services & Corrections (originally sponsored by Senators Carrell, Pearson, Schoesler, Hill and Fain).

Senate Committee on Human Services & Corrections  
House Committee on Early Learning & Human Services

**Background:** Most persons providing child care must be licensed by the Department of Early Learning (DEL). The following are exempt from licensing:

- any blood relative;
- a stepfather, stepmother, stepbrother, or stepsister;
- an adoptive parent or their natural or legally adopted children, and other relatives of the adoptive parents;
- spouses of the persons previously mentioned;
- legal guardians of the child;
- persons who care for a neighbor or friend's child where the person provides care for periods of less than 24 hours and does not conduct such activity on an ongoing basis;

- parents who, on a mutually cooperative basis, exchange care of one another's children;
- nursery schools or kindergartens engaged primarily in educational work with preschool children where no child is enrolled for more than 4 hours per day;
- schools that are engaged primarily in education, operate on a definite school year schedule, follow a stated academic curriculum, accept only school age children, and do not accept custody of children;
- seasonal camps of 3 months or less engaged primarily in recreational or educational activities;
- facilities providing care for periods of less than 24 hours when a parent or legal guardian remains on the premises to participate in non-employment activities or employment up to 2 hours per day when the facility also operates a licensed child care program at the same facility in another location or at another facility;
- an agency operated by local, state, federal or tribal government;
- an agency operated on a federal military reservation; or
- an agency that offers early learning and support services.

The Working Connections Child Care (WCCC) provides state-subsidized child care to eligible persons. It is not a condition of eligibility that the recipient assist the Department of Social and Health Services (DSHS) in collecting child support or otherwise seek child support services from DSHS.

**Summary:** DEL must refer all incidents of suspected child care subsidy fraud to the DSHS Office of Fraud and Accountability for appropriate investigation and action. "Fraud" means an intentional deception or misrepresentation made by a person with the knowledge that the deception could result in some unauthorized benefit to himself or herself or some other person. Nothing in these provisions prevent DEL and DSHS from establishing and collecting overpayments consistent with federal regulations or seeking other remedies that may be legally available.

**Votes on Final Passage:**

Senate	49	0
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Second Special Session

Senate	48	0
House	89	0

**Effective:** September 28, 2013



**SB 5161**  
C 137 L 13

Authorizing certain eligible family members of United States armed forces members who died while in service or as a result of service to apply for gold star license plates.

By Senators Braun, Carrell, Padden, Bailey, Becker, Fain, Roach, Sheldon, Dammeier, Honeyford, Schoesler, Conway, Rolfes and Kohl-Welles.

Senate Committee on Transportation  
House Committee on Transportation

**Background:** The Department of Licensing issues various special vehicle license plates that may be used in lieu of standard plates. Generally, special license plates that are sponsored by a governmental or nonprofit organization have an additional fee that is due annually, with the proceeds benefiting a specific organization or purpose. Other special license plates are available to individuals that meet certain requirements. One such special plate is the Gold Star license plate, which may be issued to the mother or father of a member of the armed forces who died while in service and as a result of that service. Gold Star license plates are issued without payment of any license plate fees and are replaced free of charge if the plate is lost, stolen, damaged, defaced, or destroyed.

**Summary:** The list of individuals who are eligible to receive a Gold Star license plate is expanded to include a widow or widower, a biological or adopted child, an adoptive parent, a stepparent, and a foster parent or other adult that is legally responsible for the member of the armed forces.

**Votes on Final Passage:**

Senate	47	0	
House	94	0	(House amended)
Senate	47	0	(Senate concurred)

**Effective:** August 1, 2013

**SSB 5165**  
C 27 L 13

Increasing the authority of superior court commissioners to hear and determine certain matters.

By Senate Committee on Law & Justice (originally sponsored by Senators Hargrove and Carrell).

Senate Committee on Law & Justice  
House Committee on Judiciary

**Background:** Article IV section 23 of the Washington State Constitution authorizes the appointment of up to three court commissioners per county. The court commissioners are appointed by the superior court and are authorized to perform the same duties as a judge of the superior court at chambers, or as otherwise provided by law to aid the administration of justice. These duties include hearing

matters related to probate, hearing and making determinations for small claims appeals, issuing temporary restraining orders, presiding over arraignments, and other pre-trial matters in adult criminal cases, and performing other judicial duties as required by the judge. Court commissioner salaries are paid by the county.

In addition to the constitutionally authorized commissioners, the Legislature has authorized supplementary court commissioners to assist superior court judges in specific areas of law. These include mental health commissioners and family court commissioners. The duties of these court commissioners are limited by statute to specific powers pertinent to assisting the court in mental health or family court matters respectively. Both mental health commissioners and family court commissioners are appointed by the superior court with prior authorization of the county legislative authority.

Counties with a population of more than 400,000 are authorized to approve the creation of criminal commissioner positions in superior court. The presiding judge of the superior court in such a county may appoint one or more attorneys to serve as criminal commissioners to assist the court with handling adult criminal cases.

Antipsychotic medication may be administered without consent to a person who has been committed for less than 180 days under the Involuntary Treatment Act pursuant to court order if the petitioner proves by clear, cogent, and convincing evidence that a compelling state interest justifies overriding the patient's lack of consent, the proposed treatment is necessary and effective, and medically acceptable alternative forms of treatment are not available, have not been successful, or are not likely to be effective. Such a person is entitled to counsel and the protections of the rules of evidence. Antipsychotic medication may be administered without consent in an emergency, provided that a court petition is filed on the next judicial day. The court order for involuntary medication is effective until the expiration of the person's current 180-day order of commitment.

**Summary:** Court commissioners may hear applications and petitions filed in superior court for the purpose of administering antipsychotic medication without consent to a person who has been committed pursuant to the Involuntary Treatment Act.

Criminal court commissioners may authorize and issue search warrants and orders to intercept, monitor, or record wired or wireless telecommunications, or for the installation of electronic taps or other devices to include, but not limited to, vehicle global positioning system or other mobile tracking devices, with all the powers conferred upon the judge of the superior court in such matters.

**Votes on Final Passage:**

Senate	46	2
House	72	25

**Effective:** July 28, 2013

**SSB 5180**

C 231 L 13

Improving access to higher education for students with disabilities.

By Senate Committee on Higher Education (originally sponsored by Senators Shin, Roach, Benton, Conway, Harper, Keiser, Sheldon, McAuliffe, Hill, Hatfield, Frockt, Schlicher and Kline).

Senate Committee on Higher Education  
House Committee on Higher Education

**Background:** Seattle University's Center for Change in Transitions Services (Center for Change) reported that in the 2009-10 school year there were 6760 special education high school students in Washington who either graduated, dropped out, or otherwise left their school between the ages of 16-21. Of these students, 4331 were contacted one year after leaving high school by the Center for Change. The Center for Change found that 25 percent enrolled in higher education, 22 percent were competitively employed, 5 percent were receiving some other form of education, 14 percent had some other form of employment, and 34 percent were not engaged in higher education or employment.

The Student Achievement Council was established on July 1, 2012, and provides strategic planning, oversight, and advocacy to support increased student success and higher levels of educational attainment in Washington. The nine-member Council includes five citizens, one current student, one representative from each of the state's three major higher educational sectors, and the Office of Superintendent of Public Instruction. Agency staff support the work of the Council, performing assigned functions and managing the student financial aid programs previously administered by the Higher Education Coordinating Board.

**Summary:** A taskforce on improving access to higher education for students with disabilities is established.

The taskforce must not consist of more than 29 members.

The taskforce must collaborate to carry out multiple goals and make recommendations to the Legislature regarding students' transition from K-12 to higher education. Some of these goals and considerations include but are not limited to the following:

- making the transition from K-12 education to higher education more seamless and successful;
- selecting a statewide method of sharing best practices between education institutions;
- improving outreach to students and their families regarding available options in higher education; and
- investigating the creation of a statewide database of student disability accommodation equipment, software, and resources owned by school districts and postsecondary education institutions.

The Student Achievement Council provides staff support to the taskforce within existing funds. The taskforce must report its recommendations to the Legislature by December 1, 2013, and annually thereafter until January 1, 2016.

**Votes on Final Passage:**

Senate	49	0
House	76	21

**Effective:** July 28, 2013

**SSB 5182**

C 232 L 13

Addressing the disclosure of vehicle owner information.

By Senate Committee on Transportation (originally sponsored by Senators Carrell, Harper, King, Chase, Smith, Eide, Hobbs and Schlicher).

Senate Committee on Transportation  
House Committee on Judiciary  
House Committee on Transportation

**Background:** Business entities may request the name and address of individual vehicle owners for use in the course of business from the Department of Licensing (DOL). The business entity must submit the request in writing and provide the full legal name and address of the requesting party specifying the purpose for which the information will be used. The requesting party must enter into a disclosure agreement with DOL and promise that the information will be used only for the purposes stated in the request for information. Where both a mailing address and a residence address are recorded on the vehicle record and the addresses differ, only the mailing address will be disclosed to a business entity.

If DOL provides the name or address of a vehicle owner to an attorney or private investigator requesting such information, DOL must notify the vehicle owner that the information has been disclosed. The notice must include the name and address of the attorney or private investigator.

**Summary:** The notice that DOL provides to a vehicle owner when the owner's information has been disclosed to an attorney or private investigator must only contain the following:

- a statement indicating that DOL has disclosed the vehicle owner's name and address pursuant to a request made under RCW 46.12.635;
- the date that DOL disclosed the information; and
- a statement informing the vehicle owner that the owner may contact DOL to find out the occupation of the requesting party if the vehicle owner contacts DOL within five days.

In response to an inquiry from the vehicle owner, DOL is prohibited from disclosing any information about the re-

## SB 5186

questing party other than whether it was an attorney or private investigator.

A fee of \$2 must be collected per record returned pursuant to a request by any business entity and deposited into the Highway Safety Account.

### Votes on Final Passage:

Senate	46	1
House	96	1

**Effective:** January 1, 2014

## SB 5186

C 28 L 13

Concerning contractor's bond.

By Senators Roach, Conway, Benton, Chase and Shin.

Senate Committee on Governmental Operations  
House Committee on Local Government

**Background:** When contracting for public works projects, state agencies and local governments must require contractors to provide surety bonds, usually equal to the full contract price. These bonds, sometimes called contractor bonds, are issued by surety companies, which agree to provide funds to complete contracts if contractors default. Contractor bonds must usually be made payable to the state. However, a city or town may optionally require that contractor bonds be made payable to the city or town, rather than the state.

**Summary:** Water-sewer districts may require that contractor bonds be made payable to the water-sewer district, rather than the state. Several nonsubstantive technical changes are made.

### Votes on Final Passage:

Senate	46	0
House	89	5

**Effective:** July 28, 2013  
June 30, 2016 (Section 2)

## E2SSB 5193

C 329 L 13

Concerning gray wolf conflict management.

By Senate Committee on Ways & Means (originally sponsored by Senators Smith, Roach, Honeyford and Delvin; by request of Department of Fish and Wildlife).

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

**Background:** Role of the Department of Fish and Wildlife (DFW) Generally. DFW serves as manager of the state's fish and wildlife resources. Among other duties, DFW must protect, perpetuate, and establish the basic

rules and regulations governing the harvest of fish and wildlife.

**Wildlife Damage Compensation.** The Legislature has authorized DFW to manage a wildlife damage compensation program that compensates commercial crop owners for damage from elk and deer. The program also compensates commercial livestock owners for damage from cougars, wolves, and bears.

Specifically, a commercial livestock owner may receive compensation for cattle, sheep, and horses injured or killed by bears, wolves, or cougars. DFW may only pay claims:

- using amounts specifically appropriated for this purpose; and
- up to statutorily specified amounts per animal.

Under the livestock damage compensation program, commercial livestock include cattle, sheep, and horses held or raised by a person for sale.

**Personalized License Plates.** A personalized license plate allows the registered vehicle owner to request the combination of letters or numbers to be included on the license plate. In addition to other annual vehicle registration fees, the owner of a personalized license plate must pay an initial registration fee of \$42 and \$32 for each renewal.

Revenue from personalized license plate fees is distributed for the following wildlife management purposes:

- \$10 to the state Wildlife Account for the management of resources associated with nonconsumptive wildlife uses;
- \$2 for wildlife rehabilitation; and
- the remainder to the state Wildlife Account for the protection and management of nongame species including protected and endangered species, raptors and song birds, and specialized habitat types.

**Summary:** Establishes a Wildlife Account-Based Funding Mechanism for Livestock Damage Caused by Wolves. Authorizes DFW to pay not more than \$50,000 per year from the state Wildlife Account for claims and assessment costs for injury to or the loss of livestock caused by wolves. DFW may also accept and spend funds from other sources to address damage to livestock or other property, consistent with the requirements of that funding source.

Any unspent amounts of the \$50,000 at the end of the fiscal year are transferred to the newly created Wolf-livestock Conflict Account. This account is non-appropriated and may be used for mitigation, assessment, and payments for livestock damage caused by wolves. DFW may also deposit grants, gifts, or donations into the account.

DFW must maintain a list of claims for livestock damage caused by wolves, organized chronologically based on the date of the wolf predation. DFW must pay claims in the order they appear on the list as funding becomes available through annual Wildlife Account funding or other sources. This includes authority and direction to pay

claims for livestock damage that occurred in previous biennia.

**Adds an Additional \$10 to Personalized License Plate Registration Fees.** \$10 is added to the initial and renewal registration fee for a personalized license plate. The added revenue is provided to the state Wildlife Account for the protection and management of nongame species including protected and endangered species, raptors and song birds, and specialized habitat types.

**Modifies Payment Eligibility and Valuation.** A livestock owner may receive compensation for damage to cattle, sheep, or horses regardless of whether they are involved in commercial agriculture or the animal is specifically raised for sale.

Compensation provided for damage to livestock may not exceed the animal's market value, replacing the specific statutory caps per animal under current law. Additionally, the Fish and Wildlife Commission must adopt rules setting limits and conditions for expenditures on claims, assessments, and mitigating actions for livestock as well as crop and other property damage.

**Votes on Final Passage:**

Senate	28	21	
House	96	2	(House amended)
Senate	43	1	(Senate concurred)

**Effective:** July 28, 2013

## SSB 5195

C 248 L 13

Allowing nonprofit institutions recognized by the state of Washington to be eligible to participate in the state need grant program.

By Senate Committee on Ways & Means (originally sponsored by Senators Rolfes, Hill, Tom, Bailey and Fain).

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

**Background:** State Need Grant Eligibility. The State Need Grant (SNG) program assists needy and disadvantaged students by offsetting a portion of their higher education costs. To be eligible, a student's family income cannot exceed 70 percent of the state's median family income, currently \$57,500 per year for a family of four.

Under current law, an institution of higher education is eligible to participate in the SNG program if it is a public university, college, or community or technical college operated by Washington State, or any other accredited university, college, school, or institute in Washington. However, any institution, branch, extension, or facility that is affiliated with an out-of-state institution must be a separately accredited member institution or a branch of an accredited institution that is eligible for federal financial

aid, has operated as a nonprofit college or university delivering on-site classroom instruction in Washington for a minimum of 20 consecutive years, and has an annual enrollment of at least 700 students.

Western Governors University (WGU). WGU is a private, nonprofit, online university. WGU offers undergraduate and graduate degree programs in business, teacher education, information technology, and health professions, including nursing.

In 2011 the Legislature expressed its intent to partner with WGU to establish WGU-Washington as a self-supporting institution. The Legislature authorized the Student Achievement Council to recognize WGU-Washington as an important component of Washington's higher education system and required the Council to work with WGU-Washington to create data sharing processes to assess the institution's performance and determine how it helps Washington achieve its higher education goals.

**Summary:** The Legislature finds that WGU-Washington serves a non-traditional and geographically diverse student population that deserves to have access to affordable postsecondary education, including baccalaureate degree-granting institutions; that the Legislature intends to provide WGU-Washington access to the SNG program; and that the Legislature intends for WGU-Washington to comply with all reporting requirements required for participation in the SNG program.

A nonprofit institution recognized by Washington State under current law is eligible to participate in the SNG program.

The definitions of eligible institutions are modified for the Get Ready for Math and Science Scholarship Program, and the Gaining Independence for Students with Dependents Scholarship Program so that they do not include nonprofit institutions recognized by Washington State.

**Votes on Final Passage:**

Senate	47	2
House	75	21

**Effective:** August 1, 2013

## 2SSB 5197

C 233 L 13

Taking measures to promote safe school buildings.

By Senate Committee on Ways & Means (originally sponsored by Senators Dammeier, Rolfes, Litzow, Billig, Mullet, Becker, Hill, Hargrove, Braun, Honeyford, Roach and Hewitt).

Senate Committee on Early Learning & K-12 Education  
Senate Committee on Ways & Means  
House Committee on Education  
House Committee on Capital Budget

**Background:** Currently, every school board of directors, unless otherwise specifically provided by law, must:

## ESB 5206

- cause all school buildings to be properly heated, lighted, ventilated, and maintained in a clean and sanitary condition; and
- maintain, repair, furnish, and insure school buildings.

**Summary:** Districts must work with local law enforcement to develop an emergency response system to expedite the response and arrival of law enforcement. Districts must submit a progress report by December 1, 2014. Districts must consider installing perimeter security control and using building designs with certain safety features.

The School Safety Advisory Committee must develop model policies regarding emergency response appropriate for a range of scenarios, and develop recommendations for incorporating specified school safety features in the planning and design of new or remodeled facilities. A report is required by December 1, 2013.

The Office of Superintendent of Public Instruction must allocate grants on a competitive basis, if funds are appropriated, for districts to implement emergency response systems.

Nothing in the provisions of the act create civil liability or create a new cause of action or new theory of negligence against a school board, school district, or the state.

### **Votes on Final Passage:**

Senate	47	0	
House	95	0	(House amended)
Senate	47	0	(Senate concurred)

**Effective:** July 28, 2013

## ESB 5206

C 249 L 13

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

By Senators Becker, Keiser, Schlicher, Parlette and Conway.

Senate Committee on Health Care  
House Committee on Health Care & Wellness  
House Committee on Appropriations Subcommittee on Health & Human Services

**Background:** Fees charged for licensing of health care professionals cannot exceed the cost to the Department of Health for the licensing activities and can include the costs of inspections.

The University of Washington (UW) currently provides online access to selected vital clinical resources, medical journals, decision support tools, and evidence-based reviews of procedures, drugs, and devices to certain health professions. These professions include physicians and physician assistants, osteopathic physicians and osteopathic physician assistants, naturopaths, podiatrists, chiropractors, psychologists, registered nurses, optometrists,

mental health counselors, massage therapists, clinical social workers, midwives, marriage and family therapists, and east Asian medicine practitioners.

This service is provided through the health sciences library. UW provides an annual accounting of the use of the funds transferred for this purpose and lists the categories of health professionals using these services. This information is made available to the health care committees of the Legislature.

Participating health profession's license fees include up to an additional \$25 to pay for this service.

**Summary:** Licensed practical nurses, occupational therapists, occupational therapy assistants, dietitians, nutritionists, and speech-language pathologists are added to the list of health care professionals who may have online access to research resources through the health sciences library at UW. The license fees for these additional health care professionals may include up to an additional \$25 for this purpose.

### **Votes on Final Passage:**

Senate	47	1	
House	95	1	(House amended)
Senate	47	1	(Senate concurred)

**Effective:** July 28, 2013

## SB 5207

C 29 L 13

Addressing the consumer loan act.

By Senators Fain, Benton, Hobbs, Roach, Nelson, Mullet, Hatfield and Keiser; by request of Department of Financial Institutions.

Senate Committee on Financial Institutions, Housing & Insurance

House Committee on Business & Financial Services

**Background:** The Consumer Loan Act (CLA) authorizes the Department of Financial Institutions (DFI) to regulate consumer loan companies doing business in Washington. Consumer loan companies include mortgage lenders and consumer finance companies.

Powers of a CLA Licensee. A CLA licensee may:

- lend money at a rate that does not exceed 25 percent per annum;
- charge a borrower a nonrefundable, prepaid loan origination fee limited to 4 percent of the first \$20,000 loaned and 2 percent of any amount above \$20,000. The fee may be included in the principal balance of the loan;
- agree with the borrower for the payment of fees to third parties other than the licensee who provides goods or services to the licensee in connection with the preparation of the borrower's loan, and may include such fees in the amount of the loan. How-

ever, no charge may be collected unless a loan is made, except for reasonable fees properly incurred in connection with the appraisal of property by a qualified, independent, professional, third-party appraiser;

- in connection with a loan secured by real estate, agree with the borrower to pay a fee to a mortgage broker that is not owned by the licensee or under common ownership with the licensee and that performed services in connection with the origination of the loan. A licensee may not receive compensation as a mortgage broker in connection with any loan made by the licensee;
- charge and collect a penalty of not more than 10 percent of any installment payment delinquent ten days or more;
- collect fees and expenses related to a collection when a debt is referred to an attorney who is not a salaried employee of the licensee;
- make open-end loans as provided in the CLA;
- charge a fee for dishonored checks; and
- sell insurance covering real and personal property, covering the life or disability or both of the borrower, and covering the involuntary unemployment of the borrower.

An applicant for a license and any officers and principals of the applicant must undergo a background check. A licensee must maintain a surety bond or meet other specified financial requirements. The amount of the bond is based on the annual dollar amount of loans originated with a minimum amount of \$30,000.

There are a variety of prohibited practices under the CLA to ensure fair, honest, and open practices.

**Summary:** The CLA is updated; provisions of the CLA are modified to protect borrowers who obtain consumer loans; and the CLA is modernized to comply with changes made at the federal level.

For example, if a person must be licensed under the CLA but is not licensed, nonthird-party fees charged in connection with the origination of the residential mortgage loan must be refunded to the borrower, excluding interest charges. Fees or interest charged in the making of a non-residential loan must be refunded to the borrower.

An exemption is eliminated that could allow a licensee to make a unauthorized loan by providing a consumer with a closed-loop card that the consumer then exchanges for an open-loop card.

Borrower includes a person who consults with or retains a licensee for information about obtaining a residential mortgage loan modification, regardless of whether that person actually obtains a residential mortgage loan modification.

It is clarified that the term residential loan modification services only applies to those who perform such services for compensation or gain.

The burden of demonstrating whether a person is exempt from the CLA rests with the person claiming the exemption, exception, or preemption.

A CLA license expires upon the licensee's failure to comply with the annual assessment requirements. DFI must provide notice of the expiration to the address of record provided by the licensee. On the 15th day after DFI provides notice, if the assessment remains unpaid, the license expires. The licensee must receive notice prior to the expiration and have the opportunity to stop the expiration, as provided in rule.

**Votes on Final Passage:**

Senate	49	0
House	94	0

**Effective:** July 28, 2013

## SSB 5210

C 30 L 13

Regulating mortgage brokers.

By Senate Committee on Financial Institutions, Housing & Insurance (originally sponsored by Senators Nelson and Hatfield; by request of Department of Financial Institutions).

Senate Committee on Financial Institutions, Housing & Insurance

House Committee on Business & Financial Services

**Background:** The Department of Financial Institutions (DFI) regulates mortgage brokers and loan originators under the Mortgage Brokers Practices Act (MBPA).

Licensure of Mortgage Brokers. In order to make a loan in Washington, mortgage brokers must be licensed. There are a number of exemptions from licensing under the MBPA. One exemption is an attorney licensed to practice law in this state, who is not principally engaged in the business of negotiating residential mortgage loans, when said attorney renders services in the course of their practice as an attorney.

Mortgage broker licenses expire annually. The Director of DFI (Director) must adopt rules for the license renewal process.

Mortgage broker applicants must provide their fingerprints, personal history, business record, and other information required by the Director. The Director must submit the information for a state and federal criminal history background check. The Director may receive non-conviction information but may only disseminate that information to criminal justice agencies.

A mortgage broker must maintain a minimum bond amount. The Director may establish a range of bond amounts based on the dollar amount of loans originated by the licensee. If the Director determines that the required bonds are not reasonably available, the Director must waive that requirement. A suit may be brought against the

surety bond by the Director or an aggrieved party for a violation of the MBPA or rules adopted by the Director to implement the MBPA. A suit must be brought within one year of the alleged violation

Mortgage brokers must pay an annual fee to maintain licensure. If the fee is not paid, DFI must initiate proceedings to revoke the license. Designated brokers of every licensee must complete continuing education requirements. Requirements for mortgage brokers generally include honesty, veracity, provision of required disclosures, and compliance with specific state and federal laws and rules. Mortgage brokers must maintain financial records for at least 25 months.

Loan Originator. Loan originators are employed, retained by, or represent a person required to have a mortgage broker license in the performance of specific activities relating to a residential mortgage loan. Loan originators must be licensed. Loan originator licenses expire and must be renewed. Loan originator licenses may not be assigned or transferred. Licensees seeking to renew their licenses must complete the required continuing education requirements.

The application must include the applicant's name, date of birth, social security number, fingerprints, personal history, business record, and other information required by the Director. The Director must submit information for a state and federal criminal history background check. The Director may receive nonconviction information but may only disseminate that information to criminal justice agencies.

Fees. The Director must establish fees sufficient to cover, but not exceed, the costs of administering the MBPA. These fees may include the following:

- an application fee to cover the costs of processing applications;
- an annual assessment paid by each licensee on or before a date specified by rule;
- an investigation fee to cover the costs of any investigation of a licensee or other person. An investigation fee is only charged when the investigation determines that a violation of MPBA and when an order of the Director is issued.

Any increase in fees is subject to the prior legislative approval required by the various tax and fee initiatives passed in recent years, most recently Initiative 1185 which passed in 2012.

Sanctions. The Director may impose fines or order restitution for violations of specific provisions of the MBPA. The Director may prohibit an officer, principal, employee, loan originator or mortgage broker from participating in the affairs of a licensed mortgage broker for violations of specific provisions of the MBPA.

Compliance Examinations. DFI may only examine the business of a mortgage broker once in the first five years of being licensed, including the licensing of a branch. The scope of the examination is limited to com-

pliance with the laws and rules related to mortgage brokers. The scope or time-frame may be expanded upon the clear identification of a need to do so.

Investigations. DFI may, at any time, investigate a licensee or any other person in the business of mortgage brokering.

**Summary:** Modifications are made to the definitions of borrower and mortgage broker.

Attorney Exemption. The attorney exemption is modified. An attorney is exempt from licensing requirements but must meet the following requirements:

- all mortgage broker or loan originator services (services) must be performed by the attorney while engaged in the practice of law;
- all services must be under a business that is publicly identified and operated as a law practice; and
- all funds associated with the transaction and received by the attorney must be deposited in, maintained in, and disbursed from a trust fund to the extent required by rules regulating the conduct of attorneys.

The requirement that licensees must comply with specific federal laws is replaced with a general requirement to comply with applicable state and federal laws.

Mortgage brokers must maintain financial records for at least three years.

Sanctions. The Director may impose fines or order restitution for any violations of the MBPA. The Director may prohibit an officer, principal, employee, loan originator, or mortgage broker from participating in the affairs of a licensed mortgage broker for any violations of the MBPA.

Surety Bond. The provision limiting the time to bring a suit against a licensee's surety bond to within a year of the alleged violation is removed.

**Votes on Final Passage:**

Senate	46	3
House	93	1

**Effective:** July 28, 2013

**SSB 5211**

C 330 L 13

Concerning personal social networking accounts.

By Senate Committee on Commerce & Labor (originally sponsored by Senators Hobbs, Eide, Kline, Ranker, Hatfield, Harper, Billig, Hasegawa, Kohl-Welles, Shin, Keiser, Frockt, Rolfes, Hill, Conway and Nelson).

Senate Committee on Commerce & Labor  
House Committee on Labor & Workforce Development

**Background:** State law does not prohibit an employer from requiring an employee or prospective employee to submit social media passwords or other account informa-

tion as a condition of employment or continued employment.

**Summary:** An employer cannot:

- request, require, or otherwise coerce an employee or applicant to (1) disclose login information for personal social networking accounts; or (2) access their account in the employer's presence in a manner that enables the employer to observe the contents of the account;
- compel or coerce an employee or applicant to add a person to the list of contacts associated with the account;
- request or require an employee or applicant to alter the settings on the account that affect a third party's ability to view the contents of the account; or
- take adverse action against an employee or applicant for refusal to provide login information, access the account in the employer's presence, add a person to contact lists, or alter the account settings.

Employers do have the ability to require an employee to share content from personal social networking accounts if:

- the employer requests or requires the content to make a factual determination in the course of an investigation;
- the investigation is undertaken in response to receipt of information about the employee's activity on personal social networking accounts;
- the purpose of the investigation is either (1) to ensure compliance with laws, regulatory requirements, or prohibitions against work-related employee misconduct; or (2) to investigate an allegation of an unauthorized transfer of the employer's proprietary information, confidential information, or financial data; and
- the employer does not request or require the employee to provide login information.

The employer prohibitions on accessing employee social network accounts do not apply to a social network, intranet, or other technology platform intended primarily to facilitate work-related information exchange, collaboration, or communication.

The legislation does not prohibit an employer from requesting or requiring an employee to disclose login information for access to an account or service provided by virtue of the employment relationship or to an electronic communications device or online account paid for or supplied by the employer; prohibit an employer from enforcing existing personnel policies that do not conflict with the bill; or prevent an employer from complying with requirements of statutes, rules, case law, or rules of self-regulatory organizations.

If an employer inadvertently receives login information through use of an employer-provided electronic communications device or an electronic device or program that monitors an employer's network, the employer is not liable for possessing the information but may not use it to access the employee's account.

An employee or applicant may bring a civil action alleging a violation of the legislation. The court may award a prevailing employee statutory damages of \$500, actual damages, and reasonable attorneys' fees and costs. If the court finds that the action was frivolous, the court may award reasonable expenses and attorneys' fees to the employer.

**Votes on Final Passage:**

Senate	49	0	
House	97	0	(House amended)
House	97	0	(House receded/amended)
Senate	44	0	(Senate concurred)

**Effective:** July 28, 2013

**SB 5212**

C 31 L 13

Expanding membership of the Washington state horse park authority.

By Senators Holmquist Newbry, Becker and Roach.

Senate Committee on Natural Resources & Parks  
House Committee on Community Development, Housing & Tribal Affairs

**Background:** The Legislature authorized the establishment of the Washington State Horse Park Authority (Authority) in 1995. The Authority is a nonprofit corporation responsible for developing, promoting, operating, managing, and maintaining the Washington State Horse Park located on a 112-acre site in Cle Elum. The Authority is a public-private partnership governed by a seven member volunteer board of directors appointed by the Washington State Parks and Recreation Commission (Commission) and is comprised of the following:

- one representative of the interests of the Commission;
- one representative of the interests of the county in which the horse park is located; and
- five representatives of different horse disciplines, activities, and professions, with at least one board member having business experience relevant to the organization of horse shows or operation of a horse show facility.

**Summary:** The board of directors of the Authority is expanded from 7 to 11 members and initial term lengths for the new members are prescribed. All four new members represent the geographic and sports discipline diversity of equestrian interests. The number of board members having business experience relevant to the organization of



## 2SSB 5213

horse shows or operation of a horse show facility is increased from one to three.

### Votes on Final Passage:

Senate	48	0
House	97	0

**Effective:** July 28, 2013

## 2SSB 5213

C 261 L 13

Concerning medication management services for medic-aid managed care enrollees.

By Senate Committee on Ways & Means (originally sponsored by Senators Becker, Tom, Bailey, Honeyford and Frockt).

Senate Committee on Health Care  
Senate Committee on Ways & Means  
House Committee on Health Care & Wellness  
House Committee on Appropriations

**Background:** For fiscal year 2013, 63 percent, or approximately 780,000 of the 1.2 million Medicaid enrollees are forecasted to be enrolled in managed care. The Health Care Authority (HCA) estimates that 40,000 or 5 percent of enrollees in managed care have five or more prescriptions.

Under state law, HCA must adopt a uniform procedure to enter into contractual agreements with managed care plans. These procedures must follow certain provisions including provider reimbursement methods that incentivize chronic care management within health homes.

**Summary:** The Legislature finds that chronic care management, including comprehensive medication management services, provided by licensed pharmacists and qualified providers is a critical component in the treatment of chronic diseases to improve the quality of care and reduce overall cost in the treatment of disease.

By January 1, 2015, HCA contracts for Medicaid-managed care plans must include a requirement that incentivizes the health homes to include comprehensive medication management services for patients with multiple chronic conditions. The provider reimbursement methods should incentivize pharmacists or other qualified providers licensed in Washington to provide comprehensive medication management services.

The managed care contracts must also include evaluation and reporting on the impact of comprehensive medication management services on patient clinical outcomes and total health care costs, including reductions in emergency department utilization, hospitalization, and drug costs.

The provisions in the contracts must not add to the rates paid for the Medicaid-managed care contracts.

### Votes on Final Passage:

Senate	49	0	
House	96	0	(House amended)
House	97	0	(House receded/amended)
Senate	47	0	(Senate concurred)

**Effective:** July 28, 2013

## E2SSB 5215

C 293 L 13

Concerning health care professionals contracting with public and private payors.

By Senate Committee on Ways & Means (originally sponsored by Senators Becker, Holmquist Newbry, Ericksen, Dammeier, Honeyford and Schlicher).

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

**Background:** The contractual agreements between health care providers and insurance carriers or third-party payors are privately negotiated contractual agreements. The Office of the Insurance Commissioner (OIC) requires insurance carriers to report their master list of participating providers to review network adequacy, but OIC does not have regulatory authority over the terms of the agreement in other cases. Public programs contract with insurance carriers in some cases, and directly with providers with their own contract terms and reimbursement agreements. Providers are not required by law to sign contracts as participating providers with insurance carriers or public programs. Some contracts include provisions that require providers to accept changes and may require providers to contract with all products offered by the third-party payor.

**Summary:** Third-party payors must provide no less than 60 days' notice to health care providers of any material amendments to the health care provider's contract. Any material amendment must be clearly defined in a notice to the provider, and the notice must inform the providers that they may choose to reject the amendment through written or electronic means and that the rejection of the amendment does not affect the terms of the existing contract.

A material amendment is an amendment to a contract between a payor and health care provider that would result in requiring a provider to participate in a health plan, product, or line of business with a lower fee schedule in order to continue to participate in a plan, product, or line of business with a higher fee schedule. A material amendment does not include the following:

- a decrease in payment or compensation resulting solely from a change in a published fee schedule with the date of applicability clearly identified in the contract;
- a decrease in payment or compensation that was anticipated under the terms of the contract, if the

amount and date of applicability of the decrease is clearly identified in the contract; or

- changes unrelated to compensation so long as reasonable notice of not less than 60 days is provided.

A payor may require a provider to extend the payor's Medicaid rates, or some percentage above the payor's Medicaid rates, to a commercial plan or line of business offered by the payor that is not administered by a public purchaser only if the health care provider expressly agrees to the extension in writing. Commercial coverage offered through the Health Benefit Exchange may not be included in the definition of a public purchase. Nothing prohibits a payor from using Medicaid rates, or some percentage above Medicaid rates, as a base when negotiating payment rates with a health care provider.

Licensed health professionals are not required to participate in any public or private third-party payor arrangement as a condition of licensure.

Health care providers include all health professionals regulated under Title 18, home health and hospice providers regulated under Chapter 70.126 RCW, and hospitals licensed under Chapter 70.41 RCW. Payor or third-party payor means all licensed health insurance carriers or Medicaid-managed care plans.

**Votes on Final Passage:**

Senate	49	0	
House	97	0	(House amended)
Senate	48	0	(Senate concurred)

**Effective:** July 28, 2013

**SB 5216**

C 8 L 13

Addressing long-term care insurance.

By Senators Rolfes, Bailey, Mullet, Parlette, Keiser, Shin and Conway; by request of Insurance Commissioner.

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

**Background:** Washington State first passed the Long-Term Care Insurance Act in 1986. In 2008, the Legislature created new Long-Term Care Insurance Standards based on model language developed by the National Association of Insurance Commissioners (NAIC). The new long-term care insurance statute provided enhanced consumer protections for policies sold after January 2009, allowed policies to meet Internal Revenue Code requirements for tax qualified plans, and allowed life insurance contracts with long-term care insurance riders and long-term care partnership policies. Adoption of NAIC model language facilitates interstate cooperation and commercial transactions that cross state boundaries and allows certain products to be filed through an interstate compact.

The NAIC has recently revised their long term care insurance model regulations, and they have included standards for prompt payment of clean claims. Insurers must pay claims within 30 business days of receipt if the claim is a clean claim, or send written notice acknowledging the date of receipt of the claim with additional required information. The model regulation defines a clean claim as a claim that has: no defect or impropriety, including any lack of required substantiating documentation, such as satisfactory evidence of expenses incurred; nor particular circumstances requiring special treatment that prevent timely payment from being made on the claim.

**Summary:** All long-term care insurance policies sold after January 2009 must make claim denials within 30 days of receipt of the written request, instead of 60 days. The Insurance Commissioner must adopt rules with prompt payment requirements for long-term care insurance. The rules must include a definition of a claim and a clean claim. In developing the rules, the Commissioner must consider the prompt payment requirements developed by the NAIC.

**Votes on Final Passage:**

Senate	49	0
House	97	0

**Effective:** July 28, 2013

**SB 5220**

C 213 L 13

Addressing membership on city disability boards.

By Senators Conway and Shin.

Senate Committee on Governmental Operations  
House Committee on Appropriations

**Background:** The Law Enforcement Officers' and Fire Fighters' Retirement System (LEOFF) Plan 1 provides retirement and disability benefits to law enforcement officers and firefighters who entered eligible employment between 1969 and 1977. Since 1977, eligible law enforcement officers and firefighters have entered LEOFF Plan 2.

Decisions on eligibility for LEOFF Plan 1 disability and medical benefits are made by city and county LEOFF Plan 1 disability boards. Disability benefits may be granted by LEOFF Plan 1 disability boards to members in LEOFF Plan 1 for both duty-related and non-duty-related causes. In addition to disability benefits, LEOFF Plan 1 is unique among state retirement system plans in that retiree benefits include coverage for all necessary medical services.

Each city with a population of 20,000 or more has a LEOFF Plan 1 disability board. Each county also has a disability board, and these county boards have jurisdiction over LEOFF Plan 1 members who are not employed in a city with its own disability board. LEOFF Plan 1 city disability boards have five members including the following:

- two members of the city legislative body;
- one member of the public appointed by the other members of the disability board;
- one active or retired firefighter member representing firefighters; and
- one active or retired law enforcement officer representing law enforcement officers.

Elections are held for firefighter-designated and law enforcement officer-designated LEOFF Plan 1 disability board positions. Only members of LEOFF Plan 1 who are subject to the jurisdiction of a board are entitled to vote for board members, though LEOFF Plan 2 members may serve on the board. In the event that no eligible law enforcement officers or firefighters are eligible to vote in a LEOFF Plan 1 disability board election, no representative of those members and retirees serve on the board, potentially reducing the total membership on the board.

**Summary:** If no firefighters under a LEOFF Plan 1 city disability board's jurisdiction are eligible to vote, the law enforcement officers eligible to vote must elect a second representative. If no law enforcement officers under a LEOFF Plan 1 city disability board's jurisdiction are eligible to vote, the firefighters eligible to vote must elect a second representative.

**Votes on Final Passage:**

Senate	49	0	
House	97	0	(House amended)
Senate	48	0	(Senate concurred)

**Effective:** July 28, 2013

**ESB 5221**

C 214 L 13

Requiring notification of release of a person following dismissal of charges based on incompetence to stand trial.

By Senators Kohl-Welles, Carrell and Darneille.

Senate Committee on Human Services & Corrections  
House Committee on Judiciary

**Background:** A criminal defendant is incompetent to stand trial if the defendant does not have the capacity to understand the proceedings or sufficient ability to assist in their own defense. When a court finds that a defendant is incompetent to stand trial, the defendant may not be placed on trial unless and until competency is restored. If the defendant remains incompetent after the conclusion of any competency restoration treatment for which the defendant is eligible, the court must dismiss the charges without prejudice and may order the defendant to be transferred to a state hospital or an evaluation and treatment facility for a civil commitment evaluation.

A person is eligible for civil commitment when, as the result of a mental disorder, the person presents a likelihood of serious harm or is gravely disabled. When a person is evaluated for civil commitment following dismissal of a

felony based on incompetent to stand trial, the person may also be eligible for civil commitment if it is proven that the person has committed acts constituting a felony and, as a result of a mental disorder, presents a substantial likelihood of repeating similar acts. Because the standards for incompetent to stand trial and civil commitment are different, an evaluation for civil commitment following dismissal based on incompetent to stand trial sometimes results in a determination that the person does not meet civil commitment criteria. In that case, the facility releases the person without filing a civil commitment petition. If the previous charge was a misdemeanor, the evaluator must forward the recommendation for release without a petition for civil commitment to the superior court of the county in which the criminal charge was dismissed for review.

**Summary:** A mental health facility that determines to release a person instead of filing a civil commitment petition for a person referred to the mental health facility for a civil commitment evaluation following dismissal of criminal charges based on incompetent to stand trial must provide written notice to the prosecuting attorney and defense attorney within at least 24 hours before release. The notice may be given by electronic mail, facsimile, or any other means reasonably likely to communicate the information immediately.

**Votes on Final Passage:**

Senate	49	0	
House	94	0	(House amended)
House	98	0	(House receded/amended)
Senate	46	1	(Senate concurred)

**Effective:** July 28, 2013

**SSB 5227**

C 250 L 13

Changing the corporate officer provisions of the employment security act.

By Senate Committee on Commerce & Labor (originally sponsored by Senators Schoesler, Holmquist Newbry, Delvin, Hatfield, Shin, King, Hobbs, Sheldon, Padden, Honeyford, Dammeier and Roach).

Senate Committee on Commerce & Labor  
House Committee on Labor & Workforce Development

**Background:** Corporate officers living in Washington are automatically covered for unemployment insurance unless the corporation opts out of coverage for its officers. Corporations may exempt corporate officers for the purposes of unemployment insurance and not pay state unemployment taxes on them if they meet certain criteria, depending on the type of corporation. Exempt officers will not be eligible to receive unemployment benefits. Corporations that exempt corporate officers from state unemployment

taxes may still be required to pay federal unemployment taxes on wages earned by the corporate officers.

Corporations must also register with the Employment Security Department (ESD) and provide specific information about owners, partners, members, and corporate officers of the business, including names, social security numbers, and percentage of stock ownership.

Corporations where all personal services are performed by corporate officers are excluded from the definition of employer and employing unit unless the corporation registers with ESD and elects to provide coverage for its officers.

**Summary:** The current opt-out unemployment compensation corporate officer provisions are changed to opt-in provisions. Services performed by a corporate officer are not considered services in employment, and the employer is not obligated to pay state unemployment taxes on wages earned by the officers, unless the corporation elects to cover all of its corporate officers. If an employer chooses to not cover its corporate officers, the employer must notify the officers in writing that they are ineligible for benefits. If an employer fails to provide notice, the officers remain ineligible for benefits.

Employers are no longer required to provide names, social security numbers, and percentage of stock ownership of owners, partners, members, and corporate officers when registering with ESD.

Language regarding the definition of employer and employing unit, as they pertain to corporations where all services are performed by corporate officers, is eliminated.

**Votes on Final Passage:**

Senate	38	11	
House	94	0	(House amended)
Senate	43	5	(Senate concurred)

**Effective:** December 29, 2013

## SB 5235

C 32 L 13

Modifying the requirements for purchase of care for Indian children.

By Senators Hargrove and Carrell; by request of Department of Social and Health Services.

Senate Committee on Human Services & Corrections  
House Committee on Community Development, Housing & Tribal Affairs

**Background:** The Department of Social and Health Services (DSHS) has authority to purchase care for Indian children who are in the custody of a federally recognized tribe or tribally licensed child-placing agency.

By December 1, 2013, the Children's Administration within DSHS must provide child welfare services and support through network administrators, rather than through

contracts with individual service providers. The services provided under the network administrator model must be pursuant to performance-based contracts.

In discussing implementation of the network administrator or performance based contracting model with the tribal child welfare systems of Washington's federally recognized tribes, it became evident that the network administrator contracting model does not always fit within tribal practices and tribal culturally-based services, or within the existing government-to-government agreements.

**Summary:** The purchase of care or services on behalf of an Indian child who is in the custody of a federally recognized tribe or child-placing agency licensed by a tribe is exempt from the requirement that the care or services be obtained through a network administrator by virtue of a performance-based contract.

**Votes on Final Passage:**

Senate	49	0
House	81	16

**Effective:** July 28, 2013  
December 1, 2013 (Section 2)

## ESB 5236

C 294 L 13

Creating the uniform correction or clarification of defamation act.

By Senators Kline and Padden.

Senate Committee on Law & Justice  
House Committee on Judiciary

**Background:** Defamation is defined as an intentional false communication, either published or publicly spoken, that injures another's reputation or good name. Defamation is that which tends to injure reputation; to diminish the esteem, respect, goodwill, or confidence in which a plaintiff is held; or to excite adverse derogatory or unpleasant feelings or opinions against a person.

Defamation consists of three primary parts: (1) a defamatory statement; (2) published to a third party; and (3) which the speaker or publisher knew or should have known was false. Some statements are so defamatory that they are considered defamation per se, and the plaintiff does not have to prove that the statement harmed their reputation. Classic examples of defamation per se are allegations of serious sexual misconduct, serious criminal misbehavior, or that a person is inflicted with some loathsome disease. When a plaintiff is able to prove defamation per se, damages are presumed, but the presumption is rebuttable.

**Summary:** A person may maintain an action for defamation when the person made a timely and adequate request for correction or clarification from the defendant, or the defendant made a correction or clarification.

A request for correction or clarification is adequate when it:

- is made in writing and reasonably identifies the person making the request;
- specifies with particularity the statement alleged to be false and defamatory and, to the extent known, the time and place of publication;
- alleges the defamatory meaning of the statement;
- specifies the circumstances giving rise to any defamatory meaning of the statement, which arises from other-than express language of the publication;
- states that the alleged defamatory meaning of the statement is false.

A correction or clarification is timely if published within 30 days after receipt of a request for correction or clarification, whichever is later.

If a timely and sufficient correction or clarification is made, a person may not recover damages for injury to reputation or presumed damages; however, the person may recover all other damages permitted by law.

A correction or clarification is sufficient when it:

1. is published with a prominence and in a manner and medium reasonably likely to reach substantially the same audience as the publication complained of;
2. refers to the statement being corrected or clarified and:
  - a. corrects the statement;
  - b. in the case of defamatory meaning arising from other-than express language, disclaims an intent to communicate that meaning or to assert its truth; or
  - c. in the case of a statement attributed to another person, identifies the person and disclaims an intent to assert the truth of the statement;
3. is communicated to the person who made a request for correction or clarification; and
4. accompanies and is an equally prominent part of any electronic publication of the allegedly defamatory statement by the publisher.

If a defendant intends to rely on a timely and sufficient correction or clarification, the defendant's intention to do so must be served on the plaintiff within 60 days after service of a summons and complaint, or ten days after the correction or clarification is made, whichever is later.

If a timely correction or clarification is no longer possible, the publisher may offer, at any time before trial, to make a correction or clarification. The offer must:

- be in writing;
- contain the publisher's offer to publish a sufficient correction or clarification;
- pay the person's reasonable expenses of litigation;
- be accompanied by a copy of the proposed correction or clarification and the plan for its publication.

A timely and sufficient correction or clarification made by a person responsible for a publication constitutes a correction or clarification made by all persons responsible for that publication other than a re-publisher.

The act must be known and cited as the Uniform Correction or Clarification of Defamation Act.

**Votes on Final Passage:**

Senate	49	0	
House	53	42	(House amended)
House	70	26	(House receded/amended)
Senate	43	4	(Senate concurred)

**Effective:** July 28, 2013

**SSB 5256**

C 295 L 13

Concerning the confidentiality of certain autopsy and postmortem reports and records.

By Senate Committee on Law & Justice (originally sponsored by Senators Padden and Baumgartner).

Senate Committee on Law & Justice  
House Committee on Judiciary

**Background:** A coroner or medical examiner may conduct an autopsy or postmortem in any case in which the coroner or medical examiner has jurisdiction. An autopsy or postmortem may be performed in any case where authorization has been given by a member of one of the following classes of persons in the following order of priority: (1) the surviving spouse or state registered domestic partner; (2) any child of the decedent who is 18 years of age or older; (3) one of the parents of the decedent; (4) any adult brother or sister of the decedent; or (5) a person who was guardian of the decedent at the time of death. Any party, by showing just cause, may petition the court to have an autopsy made and results made known to the party at the petitioner's own expense. In an industrial death where the cause of death is unknown, and where the Department of Labor and Industries (L&I) is concerned, L&I may request the coroner in writing to perform an autopsy to determine the cause of death.

Reports and records of autopsies or postmortems are confidential, except that the following persons may examine and obtain copies of any such report or record: the personal representative of the decedent, any family member, the attending physician or advanced registered nurse practitioner, the prosecuting attorney or law enforcement agencies having jurisdiction, public health officials, L&I in cases in which it has an interest, or the Secretary of the Department of Social and Health Services or the Secretary's designee in child welfare cases being reviewed. The coroner, the medical examiner, or the attending physician must, upon request, meet with the family of the decedent to discuss the findings of the autopsy or postmortem.

**Summary:** A coroner, medical examiner, or designee is not prevented from publicly discussing findings as to any death within their jurisdiction that was proximately caused by a law enforcement or corrections officer. However, public discussion of findings related to a death is restricted to formal court and inquest proceedings when there is a criminal investigation or litigation concerning the death that is in place at the time of the effective date of the act. Immunity from liability is provided for the release of information by a coroner, medical examiner, or designee, as long as they made a good faith attempt to comply with the law.

**Votes on Final Passage:**

Senate	48	0	
House	96	0	(House amended)
Senate	47	0	(Senate concurred)

**Effective:** January 1, 2014

**SB 5258**  
C 138 L 13

Aggregating the cost of related ballot measure advertisements for purposes of top five sponsor identification requirements.

By Senators Benton, Roach, Hasegawa, Conway, Billig, Rivers and Fraser; by request of Public Disclosure Commission.

Senate Committee on Governmental Operations  
House Committee on Government Operations & Elections

**Background:** All written political advertising must include the sponsor's name and address. Broadcasted political advertising must include the sponsor's name. All electioneering communications and political advertising undertaken as an independent expenditure by a person or entity other than a party organization must include a statement indicating that the advertisement is not authorized by any candidate, and information about who paid for the advertisement. If an advertisement is an electioneering communication or independent expenditure sponsored by a political committee, the top five contributions must be listed.

If the sponsor of the advertisement is a political committee established, maintained, or controlled directly or indirectly through the formation of one or more political committees, or by an individual, corporation, union, association, or other entity, the full name of that individual or entity must also be listed in the advertisement.

Independent expenditures pertain to advertisements made in support of, or in opposition to, a candidate. Electioneering communications are advertisements that clearly identify a candidate by either specifically naming the candidate, or identifying the candidate without using the candidate's name.

A political committee means any person, except a candidate or an individual dealing with personal funds or property, having the expectation of receiving contributions or making expenditures in support of, or opposition to, any candidate or any ballot proposition.

Political advertising costing \$1,000 or more that supports or opposes a ballot measure, and is sponsored by a political committee, must include a listing of the names of the five persons or entities making the largest contributions in excess of \$700 during the 12-month period before the date of the advertisement.

**Summary:** A political committee must list the names of its five largest contributors on broadcasted or written advertising that supports or opposes a ballot measure when the cumulative value of the committee's advertisements about that ballot measure is at least \$1,000.

Yard signs, and other forms of advertising where identification is impractical, such as campaign buttons, balloons, pens, pencils, skywriting, and inscriptions, are exempt from the sponsor identification requirement.

**Votes on Final Passage:**

Senate	48	0
House	72	25

**Effective:** July 28, 2013

**SSB 5263**  
C 139 L 13

Concerning motorcycles overtaking and passing pedestrians and bicyclists.

By Senate Committee on Transportation (originally sponsored by Senators Benton and King).

Senate Committee on Transportation  
House Committee on Transportation

**Background:** Under current law, motorcycle operators are prohibited from overtaking and passing a vehicle that is in the same lane as the motorcycle.

**Summary:** The operator of a motorcycle may overtake and pass a pedestrian or bicyclist that is occupying the same lane as the operator; provided that the motorcycle overtakes and passes the pedestrian or bicyclist while maintaining a safe passing distance of at least three feet.

**Votes on Final Passage:**

Senate	48	0
House	97	0

**Effective:** July 28, 2013

## SSB 5264

C 140 L 13

Concerning the transportation and storage of certain explosive devices.

By Senate Committee on Transportation (originally sponsored by Senators Benton, Mullet, Baumgartner and Sheldon).

Senate Committee on Transportation  
House Committee on Judiciary

**Background:** The U.S. Department of Justice Bureau of Alcohol, Tobacco, Firearms, and Explosives (ATF) regulates the storage of explosives. The Washington State Explosives Act, administered by the Department of Labor and Industries (L&I), governs the transportation, storage, and use of explosive devices in Washington. State and local governmental agencies must store and transport explosives in conformity with both federal and state law.

Federal and state law require that explosive devices be stored in an appropriate type of magazine, depending on the quantity and type of explosive involved. A magazine is any building or structure, other than an explosives manufacturing building, used for storage of explosive materials. Magazines are rated for different types of explosives and their construction and security mechanisms are set out in federal and state law. In Washington, L&I licenses the storage of explosive devices and conducts an annual inspection of the storage magazine.

Explosive actuated tactical devices (EATDs) may or may not contain flash powder. EATDs that contain flash powder include noise and flash diversionary devices (NFDD) also known as flash bangs, and powder blast grenades also known as stingers. Non-flash powder EATDs generally contain a low explosive fuse or other low explosive pyrotechnic material. These devices typically expel smoke or an irritant such as tear gas and are commonly known as pyrotechnic smoke and gas grenades, aerosol grenades, and blast grenade irritants. EATDs are typically used by law enforcement officers in hostage situations, for executing search warrants, and in controlling crowds that threaten public safety. Under current published state and federal law, local law enforcement officers are not authorized to store certain tactical explosive devices in a standard department-issue police vehicle.

**Summary:** The transportation and storage of EATDs, including NFDDs, by local law enforcement tactical response teams and officers in department-issued vehicles are exempt from the Washington State Explosives Act and the regulation of L&I, so long as the devices are stored and secured in compliance with the regulations and rulings adopted by ATF.

**Votes on Final Passage:**

Senate	47	0
House	97	0

**Effective:** July 28, 2013

## E2SSB 5267

C 215 L 13

Establishing a work group to develop standardized prior authorization for medical and pharmacy management.

By Senate Committee on Ways & Means (originally sponsored by Senators Becker, Keiser, Conway, Ericksen, Bailey, Dammeier, Frockt and Schlicher).

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

**Background:** Legislation passed in 2009 directed the Office of the Insurance Commissioner (OIC) to select a lead organization to focus on opportunities for administrative simplification in health insurance processes and offer recommendations on best practices. OIC and the lead organization, OneHealthPort, have facilitated a work group with broad participation of insurance carriers, state purchasers, and providers and they have recently developed recommendations on streamlining pre-authorization of insurance services. Currently, each insurance carrier or payor requires specific pre-authorization forms for specific services, with vast variation in numbers of forms and types of pre-authorization requirements.

The federal Affordable Care Act requires a number of changes in administrative simplification efforts. OneHealthPort and other work group participants have been actively engaged in the development of new national operating rules. For example, the Department of Health and Human Services (HHS) must adopt operating rules for several Health Insurance Portability and Accountability Act transactions, beginning with the eligibility and claims status transactions. HHS designated the Council on Affordable Quality Health Care (CAQH) and its Committee on Operating Rules for Information Exchange (CORE) as the lead for development of the initial operating rules. Operating rules required for 2016 will address some remaining transactions, including health claims or equivalent encounter information, enrollment and disenrollment in a health plan, health plan premium payments, referral certification and authorization, and claims attachment.

**Summary:** A work group is formed to develop criteria to streamline the prior authorization process for prescription drugs, medical procedures, and medical tests. The work group is co-chaired by the chair of the Senate Health Care Committee and the chair of the House Health Care and Wellness Committee. Membership of the work group is determined by the co-chairs, not to exceed 11 participants.

The work group must examine elements that include the following:

- national standard transaction information for sending or receiving authorizations electronically;
- standard transaction information and uniform prior authorization forms;

- clean, uniform, and readily accessible forms for prior authorization including determining the appropriate number of forms;
- a core set of common data requirements for nonclinical information for prior authorization and electronic prescriptions, or both;
- the prior authorization process, which considers electronic forms and allows for flexibility for health insurance carriers to develop electronic forms; and
- existing prior authorization by health insurance carriers and state agencies, in developing the uniform prior authorization forms.

The work group must establish timelines for urgent requests and timelines for non-urgent requests; work on a receipt and missing information timeframe; determine time limits for a response of acknowledgment of receipts or requests of missing information; and establish when an authorization request will be deemed as granted when there is no response.

The work group must submit recommendations to the Legislature by November 15, 2013. The Office of Insurance Commissioner must adopt rules implementing only the recommendations of the work group and the rules must take effect no later than January 1, 2015.

**Votes on Final Passage:**

Senate	49	0	
House	87	10	(House amended)
House	97	0	(House receded/amended)
Senate	47	0	(Senate concurred)

**Effective:** July 28, 2013

## SSB 5274

C 33 L 13

Concerning private motorcycle skills education programs.

By Senate Committee on Transportation (originally sponsored by Senators Carrell, Eide, King, Harper, Hill and Shin).

Senate Committee on Transportation  
House Committee on Transportation

**Background:** A person must obtain a motorcycle endorsement to operate a motorcycle on public highways. In 1982, legislation was enacted requiring the Department of Licensing (DOL) to create a voluntary motorcycle operator training and education program to provide public awareness of motorcycle safety and to provide classroom and on-cycle training. DOL may waive all or a portion of the motorcycle endorsement examination for people who satisfactorily complete the motorcycle operator training and education program.

DOL currently contracts with private certified instructors to provide motorcycle safety classes and on-cycle training. The cost for classes and training for Washington

residents that are under age 18 is capped at \$50, and for Washington residents over age 18 the cost for classes and training is capped at \$125. DOL currently provides a subsidy to the instruction programs at a negotiated rate. In the 2011-13 biennium DOL allotted \$2,764,000 in subsidies for the program. The monies for the program and subsidies are appropriated from the Motorcycle Safety Education Account, which is entirely supported by motorcycle endorsement fees.

**Summary:** DOL must allow private motorcycle skills education programs to offer motorcycle safety education courses without a subsidy from the state. These privately-provided, unsubsidized motorcycle skills education courses are not subject to the price caps.

DOL must review and certify that a private motorcycle skills education course offered without subsidy meets the equivalent educational standards as the subsidized courses. DOL's contract with an unsubsidized provider must allow DOL to periodically audit the private provider to ensure that the educational standards continue to meet those of the subsidized programs.

**Votes on Final Passage:**

Senate	49	0
House	97	0

**Effective:** July 1, 2013

## SSB 5282

C 216 L 13

Creating a work group for consolidation of statewide involuntary commitment information.

By Senate Committee on Human Services & Corrections (originally sponsored by Senators Carrell, Pearson, Keiser, Sheldon, Becker, Tom, Parlette, Rivers, Braun, Bailey, Padden, Roach, Litzow, Honeyford and Shin).

Senate Committee on Human Services & Corrections  
House Committee on Judiciary

**Background:** Records of persons involuntarily committed for mental health treatment are maintained by the Department of Social and Health Services (DSHS) and by various community mental health agencies which initiate civil commitments in each of Washington State's 11 regional support networks (RSNs). Since 2009, state law has required a court which orders the involuntary commitment of a person for mental health treatment to forward identifying information about the person, along with the date of commitment, to the Department of Licensing (DOL) and the National Instant Criminal Background Check System (NICS), operated by the federal government, within three judicial days after entry of the commitment order.

A person who is involuntarily committed for mental health treatment as an adult or child under civil commitment laws or forensic commitment laws related to crimi-



nal insanity and competency to stand trial is prohibited from possession of a firearm under state and federal law. Under state law, possession of a firearm by such a person is a felony. A person who has been involuntarily committed, but not acquitted by reason of insanity for a sex offense or class A felony punishable by a maximum sentence of at least 20 years, may petition a court to have firearm possession rights restored.

A law enforcement agency which issues a concealed pistol license, alien firearm license, or is contacted by a dealer to verify firearm eligibility on behalf of a purchaser of a firearm must conduct a background check through NICS, the Washington State Patrol's (WSP) electronic database, and DSHS. The law enforcement agency may contact other agencies or resources as appropriate, including RSNs and community mental health agencies.

**Summary:** DOL must convene a workgroup with DSHS, WSP, and representatives of RSNs and superior courts to create a proposal for consolidation of statewide involuntary commitment information for the purpose of accurate and efficient verification of eligibility to possess a firearm. The workgroup must make recommendations as to privacy protections and whether access may legally be provided to designated mental health professionals (DMHPs) and law enforcement officials for use in the official course of their duties. The workgroup must report its recommendations by December 1, 2013.

By August 1, 2013, all RSNs must forward historical mental health commitment information to DSHS. As soon as feasible, the RSNs must arrange to report new commitment data to DSHS within 24 hours. RSNs and DSHS are immune from liability related to the sharing of commitment information under this act.

**Votes on Final Passage:**

Senate	48	0	
House	93	0	(House amended)
Senate	48	0	(Senate concurred)

**Effective:** July 28, 2013

**SSB 5287**

C 251 L 13

Eliminating accounts and funds.

By Senate Committee on Ways & Means (originally sponsored by Senators Hill and Hargrove; by request of Office of Financial Management).

Senate Committee on Ways & Means  
House Committee on Appropriations

**Background:** In addition to the state general fund, which may be expended for any lawful purpose, the state maintains several hundred funds and accounts that are dedicated to particular statutory purposes. These accounts generally fall into one of three categories: (1) accounts located in the state treasury, thereby subject to appropriation

by the Legislature; (2) accounts held in the custody of the State Treasurer and typically not subject to legislative appropriation; and (3) accounts located in state agencies and institutions of higher education, known as local accounts. Some funds and accounts, due to lack of recent activity, were deemed by the Office of Financial Management (OFM) to be inactive accounts.

**Summary:** The following accounts are eliminated:

- Freight Congestion Relief Account;
- Public Transportation Systems Account;
- Puyallup Tribal Settlement Account;
- Basic Health Plan Self-Insurance Reserve Account;
- Decontamination Account;
- Satellite System Management Account;
- Real Estate Excise Tax Electronic Technology Account;
- Health Care Declarations Registry Account;
- Rural Health Access Account;
- Manufacturing Innovation and Modernization Account;
- Public Printing Revolving Account; and
- Special Personnel Litigation Settlement Account.

Various statutory references to these accounts are eliminated or modified. Technical corrections are made to the Enterprise Services Account. Remaining monies in the accounts being eliminated are transferred to the state general fund or other relevant fund.

The State Treasurer, OFM, and the Code Reviser must review and recommend repeal or decodification of obsolete capital construction accounts and bond authorization statutes. Their recommendations will be submitted to the 2015 Legislature.

**Votes on Final Passage:**

Senate	48	0	
House	96	0	(House amended)
Senate	47	0	(Senate concurred)

**Effective:** June 30, 2013  
Contingent (Section 4)

**2E2SSB 5296**

C 1 L 13 E 2

Concerning the model toxics control act.

By Senate Committee on Ways & Means (originally sponsored by Senators Ericksen, Baumgartner, Rivers, Bailey, Delvin and Honeyford).

Senate Committee on Energy, Environment & Telecommunications  
Senate Committee on Ways & Means  
House Committee on Environment

**Background:** The state Model Toxics Control Act (MT-CA) is carried out by the Department of Ecology (DOE) to ensure that the vast majority of sites at which hazardous

substances were released are cleaned up. MTCA is funded by a 0.7 percent tax on the wholesale value of hazardous substances, cost recovery from remedial actions, mixed waste fees, and to a lesser extent fines, penalties, and other charges. The State Toxic Control Account (SCTA) receives 47 percent of the revenue obtained from the hazardous substance tax (HST), while the Local Toxic Control Account (LTCA) receives 53 percent.

DOE is responsible to investigate, conduct remedial actions, enforce actions to protect human health, and provide technical and administrative assistance. DOE must prioritize funding to clean up hazardous waste sites and prevent future hazardous waste sites. Hazardous waste sites are ranked by considering the amount and type of contamination, the risk that contamination will spread, and routes of exposure. Sites are considered a higher priority when the contamination threatens drinking water supplies, exists in high quantity or over a large area, is toxic to animals or fish, may affect a body of water, or affects public health.

SCTA and LTCA provide funding for activities such as state programs for hazardous and solid waste planning, management, and enforcement; financial assistance for local hazardous and solid waste programs; and assistance for potentially liable persons to pay for remedial actions under certain circumstances. DOE must use LTCA funds for grants and loans to local governments with a prioritized order beginning with remedial actions, hazardous waste plans and programs, solid waste plans and programs, cleanup of methamphetamine production sites, and cleanup and disposal of hazardous substances from abandoned or derelict vessels.

When partnering with local communities and liable parties for cleanup, DOE may alter grant-matching requirements to incentivize local governments to expedite cleanups when funding would mitigate unfair economic hardship imposed by the cleanup liability; create new substantial economic development, public recreational, or habitat restoration opportunities; or create an opportunity for acquisition and redevelopment of vacant, orphaned, or abandoned property that would not otherwise occur.

Liable parties must clean up sites contaminated with hazardous materials. DOE uses several methods to assist potentially liable persons to clean up hazardous waste sites such as the voluntary clean-up program, consent decrees, and agreed orders.

The Attorney General may agree to a settlement with a potentially liable person when a proposed settlement would lead to a more expeditious cleanup. In addition, to promote cleanup or site reuse, the Attorney General may agree to a settlement with a person who is not liable for cleanup but proposes to clean up, redevelop, or reuse the site when the settlement will bring new resources to facilitate the cleanup. Priority must be given to settlements that will provide a substantial public benefit which include vacant or abandoned manufacturing or industrial facilities.

DOE must prepare a ten-year financing report every two years. The report must identify long-term remedial action project costs, track expenses, and project future needs. Additionally, DOE must project the remedial action need, cost, revenue, and recommended working capital reserve estimate to the next biennium's long-term remedial action needs from both SCTA and LTCA.

**Summary:** State and Local Toxics Control Accounts. The percentage of HST revenues to be deposited into STCA and LTCA is revised. The percentage to STCA is changed from 47 percent to 56 percent, and to LTCA from 53 percent to 44 percent.

New uses of state toxic control account funds are added, including the following:

- state agriculture and health programs for pesticide disposal, recycling, and reduction;
- stormwater pollution control projects and activities;
- clean-up of petroleum based plastic and Styrofoam debris in fresh and marine waters; and
- air quality programs.

The use local toxic control account funds are prioritized for:

- extended grant agreements;
- remedial actions at facilities on DOE's hazardous sites list with a high hazard ranking and an approved remedial action plan;
- Brownfield properties within a redevelopment opportunity zone with an approved remedial action plan;
- stormwater pollution source projects;
- hazardous waste plans and programs;
- solid waste plans and programs; and
- clean-up of petroleum based plastic and Styrofoam debris in fresh and marine waters.

Environmental Legacy Stewardship Account (ELSA). The ELSA is created. Once \$140 million of the HST is distributed to STCA and LTCA, the remainder collected must be deposited into ELSA. A one-time transfer of \$45 million is made from each the STCA and LTCA to ELSA. ELSA funds may be used for performance and outcome-based projects, model remedies, and procedures that result in reductions in the time to complete:

- activities authorized under STCA and LTCA;
- stormwater low-impact retrofit projects and other projects with significant environmental benefits that reduce stormwater pollution from existing infrastructure and development; and
- cleanup of derelict vessels.

Model Remedies. DOE must:

- establish model remedies for common categories of facilities, hazardous substances, media, or geographic regions to streamline and accelerate the clean-up process;

- accept the use of a model remedy at facilities meeting the requirements for such cleanup – neither an analysis of alternatives nor a feasibility study are required; and
- submit a report on the status and use of model remedies, including the number and types of model remedy proposals submitted by qualified, private-sector engineers, contractors, or consultants.

Brownfield Redevelopment Trust Fund (Trust Fund).

The trust fund is created only for remediation and clean-up activities within a designated redevelopment opportunity zone. The trust fund may receive legislative appropriations, voluntary contributions made to specific zones or brownfield redevelopment authorities, and receipts from settlements or court orders that direct payment to the trust fund for specific zones. The trust fund must be credited with all investment income earned by the trust fund. The local government establishing the redevelopment opportunity zone must be the beneficiary of the subaccount.

All expenditures from the trust must be used for remediation and cleanup of properties and facilities consistent with a plan approved by DOE. The expenditures must meet eligibility requirements for remedial action grants. DOE must provide a biennial report on each subaccount activity.

When DOE determines that all remedial actions are complete and payments are made from the trust fund, any remaining monies must be transferred to STCA. If DOE determines that substantial progress has not been made within six years wherein deposits were made into the trust fund account, or the brownfield renewal authority is not a viable entity, then all remaining funds must be transferred to STCA.

Redevelopment Opportunity Zone. A city, county, or port district may designate a redevelopment opportunity zone when it adopts a resolution determining the following:

- at least 50 percent of the upland properties in the area are brownfields, and the brownfield properties do not need to be contiguous;
- the upland areas are completely owned by the city or county and the property owners gave consent to be included in the zone;
- cleanup will be integrated and consistent with comprehensive land use plans for future uses; and
- the proposed property is within an urban growth area.

Port districts must additionally own at least 50 percent of the upland property, or have property owners consent to be included in the zone. The city or county must approve the redevelopment opportunity zone designation. Designated redevelopment opportunity zones have priority for available grant funds when the demand exceeds the amount of available funding.

Brownfield Renewal Authority (Authority). A city, county, or port district may establish an authority for implementing cleanup and reuse of properties within a redevelopment opportunity zone. Any combination of cities, counties, and port districts may establish an authority through an interlocal agreement. The authority must be governed by a board of directors who are determined by resolution or interlocal agreement. The authority must be a municipal corporation. DOE may require an authority to dissolve, if it determines that substantial progress for remedial actions was not made within six years of establishment of the authority. All assets, except remaining funds from the trust account transfer to STCA, and liabilities transfer to the city, town, or port district establishing the authority.

Settlement Agreements. The primary purpose of a settlement agreement is to promote the cleanup and reuse of brownfield property. The Attorney General and DOE may give priority to settlements that provide a substantial public benefit to the reuse of brownfield properties including cleanup and reuse of property that provides access to the public, new or improved public recreational opportunities, and preservation of historic properties. Alternatively, DOE may issue an agreed order to a prospective purchaser of a property within a redevelopment opportunity zone that stays enforcement of remedial actions, as long as the prospective purchaser complies with the order.

Funds from STCA may be used to assist prospective purchasers to pay for remediation at sites within a redevelopment opportunity zone, when the amount and terms are established in a settlement agreement and when DOE finds that the funding provides for a substantially more expeditious or enhanced cleanup with public benefits.

Extended Grant Agreements. DOE may use extended grant agreements with local governments to address cleanup at facilities where it is expected to take multiple biennia and the cost exceeds \$20 million. The initial agreement may not exceed ten years and may not provide more than 50 percent of the total eligible cleanup costs. DOE may not allocate future funding to an extended grant agreement unless the local government shows that the funds awarded during the previous biennium were substantially expended.

Ten-Year Financing Plan and Report. DOE must:

- plan to clean up and prevent hazardous waste sites at a pace that matches the estimated cash resources in STCA, LTCA, and ELSA;
- analyze estimated cash resources and consider the annual cash-flow requirements of major projects that receive appropriations expected to cross multiple biennia; and
- include in the report separate budget estimates for large, multi-biennial, clean-up projects that exceed \$10 million.

**Radioactive Mixed Waste Account.** The Radioactive Mixed Waste Account is created for use by DOE to regulate facilities that treat, store, or dispose of mixed waste or mixed radioactive waste. STCA funds used for radioactive mixed waste are transferred to the new account.

**Reports.** Every second odd-numbered year, DOE must report on progress made in cleaning up hazardous waste sites to the Legislature and the public. DOE must track requests from reviews of planned and completed independent remedial actions; set performance measures for timely request responses; and submit a report to the Legislature and Governor on meeting the performance measures and recommendations for improving performance and staffing needs.

**Votes on Final Passage:** Second Special Session

Senate	25	23
Senate	36	13
House	67	18

**Effective:** July 1, 2013  
Contingent (Section 16)

**SB 5297**  
C 158 L 13

Concerning coal transition power.

By Senators Braun, Ericksen and Carrell.

Senate Committee on Energy, Environment & Telecommunications

House Committee on Environment

**Background:** Approved by voters in 2006, the Energy Independence Act, also known as Initiative 937 (I-937), requires electric utilities with 25,000 or more customers to meet targets for energy conservation and for using eligible renewable resources. Utilities that must comply with I-937 are called qualifying utilities.

**Eligible Renewable Resource Targets and Compliance Dates.** Each qualifying utility must use eligible renewable resources or acquire equivalent renewable energy credits, or a combination of both, to meet the following annual targets:

- at least 3 percent of its load by January 1, 2012, and each year thereafter through December 31, 2015;
- at least 9 percent of its load by January 1, 2016, and each year thereafter through December 31, 2019; and
- at least 15 percent of its load by January 1, 2020, and each year thereafter.

**Eligible Renewable Resource.** The term eligible renewable resource means electricity generated from a resource such as wind, solar, geothermal energy, landfill and sewage gas, wave and tidal power, and certain biodiesel fuels. In addition, an eligible renewable resource must be generated in a facility that started operating after March 31, 1999, and the facility must either be located in the Pa-

cific Northwest or the electricity from the facility must be delivered into the state on a real-time basis. Under certain conditions, incremental electricity produced as a result of efficiency improvements to hydroelectric generation facilities may also count as an eligible renewable resource.

**Renewable Energy Credit (REC).** A REC is a tradable certificate of proof of at least one megawatt hour of an eligible renewable resource where the generation facility is not powered by fresh water. Under I-937, a REC represents all the nonpower attributes associated with the power. RECs can be bought and sold in the marketplace, and they may be used during the year they are acquired, the previous year, or the subsequent year.

**Alternative Compliance Methods.** In general, a qualifying utility that fails to meet an annual target to acquire eligible renewable resources will still be considered in compliance with I-937 if any of the following exceptions apply: the failure was due to events beyond the reasonable control and anticipation of a qualified utility; the utility spent 4 percent of its total annual revenue needs to meet the eligible renewable resource targets; or the utility spent 1 percent of its total annual revenue requirement to meet the eligible renewable resource targets, had no increases in the demand for electricity for the previous three years, and did not sign any contracts for nonrenewable resources after December 7, 2006, the date I-937 became law.

**Greenhouse Gas (GHG) Emissions Performance Standard (EPS) for Electric Generation Plants.** Electric utilities may not enter into a long-term financial commitment for baseload electric generation on or after July 1, 2008, unless the generating plant's emissions are the lower of:

- 1100 pounds of GHG per MWh; or
- the average available GHG emissions output as updated by the Department of Commerce.

Baseload electric generation means electric generation from a power plant that is designed and intended to provide electricity at an annualized plant capacity factor of at least 60 percent. Long-term financial commitment means either a new ownership interest in baseload electric generation or an upgrade to a baseload electric generation facility; or a new or renewed contract for baseload electric generation with a term of five or more years for the provision of retail power or wholesale power to end-use customers in this state.

**EPS and Coal Transition Power.** In 2011 the Legislature established a schedule for applying the EPS to the Centralia coal-fired electric generation facility (Centralia). In addition, the EPS was amended to allow long-term contracts for Centralia's generated electricity, called coal transition power. Furthermore, a process was created to allow an investor-owned electric utility to petition the Washington Utilities and Transportation Commission for approval of a power purchase agreement for coal transition power.

**Summary:** Amending an Alternative Compliance Method in I-937 to Allow the Use of Coal Transition Power. In general, a qualifying utility that fails to meet an annual tar-

get in I-937 for acquiring eligible renewable resources will still be considered in compliance with I-937 if: the utility spent 1 percent of its total annual revenue requirement to meet the eligible renewable resource targets, had no increases in the demand for electricity for the previous three years, and did not sign any contracts for nonrenewable resources, other than coal transition power, after December 7, 2006, the date I-937 became law.

**Votes on Final Passage:**

Senate	38	11
House	83	14

**Effective:** July 28, 2013

**SB 5302**

C 34 L 13

Addressing credit unions' corporate governance and investments.

By Senators Benton and Hobbs.

Senate Committee on Financial Institutions, Housing & Insurance

House Committee on Business & Financial Services

**Background:** The Washington State Credit Union Act (WSCUA) provides the statutory framework for credit union organization, governance, and investments in the state. Credit unions are nonprofit corporations that promote thrift among their members and create a source of credit for their members at competitive rates of interest. Seven or more natural persons who reside in Washington may apply to the Department of Financial Institutions (DFI) for permission to organize as a credit union.

In 2012, the Northwest Credit Union Association formed a Washington State Model Act subcommittee to identify and provide recommendations to amend WSCUA in order to advance the charter and operating environment for credit unions in the state. The subcommittee's recommendations incorporate substantive changes to WSCUA's corporate governance and investment provisions.

**Summary:** Special Membership Meetings. The secretary of the credit union must designate a time for a special membership meeting no later than 90 days after the request for such meeting has been received. The secretary must give at least 30 days' notice before the special membership meeting or within such reasonable time as provided by the bylaws. The notice must include the purpose for which the special membership meeting is being called and if the meeting is being called for the removal of a director, the notice must include that director's name.

Minimum Regular Board Meetings per Calendar Year.

The board must have at least six regular board meetings per year with at least one meeting occurring per quarter. The director may also require additional meetings of the board if it is deemed necessary to address issues noted in any examination by DFI.

Director's Duty to Attend Regular Board Meeting. A director has a duty to attend all regular board meetings. If a director is absent from more than a quarter of such meetings in a 12 month term without being reasonably excused by the board of directors, the director will be disqualified from serving in such role for the remaining period of the term.

For-Cause Suspension of a Board Member or Member of the Supervisory Committee. The board of directors may suspend a member of the board or a member of the supervisory committee for cause until a special membership meeting is held to adjudicate such matters. The special membership meeting must be held within 60 days after the suspension has been made.

Directors and Supervisory Committee Members Compensation. A credit union may pay its directors and supervisory committee members reasonable compensation for their services. A credit union may also provide its directors and supervisory committee members gifts of minimal value, insurance coverage or incidental services available to employees generally, and reimbursement for reasonable expenses incurred by such individuals and their spouses in the performance of their duties.

Loans to Directors, Supervisory Committee Members, and Credit Committee Members. A credit union may make secured and unsecured loans to its directors, supervisory committee members, and credit committee members so long as such loans are made under the terms and conditions as those made to members generally.

Investment of Credit Union Funds. A credit union may invest in mutual funds so long as the investment portfolio is restricted to investments and investment transactions that are authorized for credit unions.

Investment in Real Property. A credit union may invest in real property or leasehold interest including, but not limited to, structures and fixtures attached to real property for its own use or the use of a credit union service organization in conducting business subject to statutory limitations.

Specified time requirements for occupancy of the property must be adhered to if the real property or leasehold property interest is acquired for future expansion. The credit union must partially occupy the premises within three years after making the investment if the property is improved at the time of acquisition. If the premises are not improved at the time of acquisition, the credit union must occupy the premises within six years after making such investment.

Voting Requirements for Mergers. A credit union may be merged with another credit union if such merger is approved by the director, a majority vote of the board of both credit unions, and a two-thirds vote from the members of the merging credit union voting on the merger at a membership meeting.

Director's Authority to Call a Special Meeting of the Board. The director may request a special board meeting if it is necessary for the welfare of the credit union. The director's request for a special board meeting must be made in writing to the secretary of the board. The secretary must designate a time and place for the special board meeting which must be held within 30 days after the secretary's receipt of the request from the director.

**Votes on Final Passage:**

Senate	49	0
House	94	0

**Effective:** July 28, 2013

**ESB 5305**

C 252 L 13

Requiring hospitals to report when providing treatment for bullet wounds, gunshot wounds, and stab wounds to all patients.

By Senators Becker, Schlicher, Kline, Dammeier, Delvin, Ericksen, Parlette and Carrell.

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

**Background:** The Health Insurance Portability and Accountability Act (HIPAA) and state law generally limit disclosure of a patient's health care information, if a patient has not authorized disclosure. However, both HIPAA and state law permit disclosure of health care information without a patient's authorization under some circumstances. If a state law permits such disclosure, a patient's authorization is not required under HIPAA.

Washington State law requires hospitals to report bullet, gunshot, and stab wounds to law enforcement as soon as reasonably possible if a patient is unconscious or unable to make such a report. Information to be reported includes: the name, residence, sex, and age of the patient, whether the patient has received a bullet, gunshot, or stab wound, and the name of the health care provider providing treatment.

**Summary:** Hospitals must report bullet, gunshot, or stab wounds to law enforcement as soon as reasonably possible when the hospital is providing treatment for such an injury. This requirement must consider the patient's emergency care needs but is mandated whether or not the patient is unconscious. If the patient states that his or her injury is the result of domestic violence, the hospital must follow its procedures for informing the patient of resources to assure safety of the patient and the patient's family.

**Votes on Final Passage:**

Senate	49	0	
House	94	2	(House amended)
Senate	48	0	(Senate concurred)

**Effective:** July 28, 2013

**SSB 5308**

C 253 L 13

Establishing the commercially sexually exploited children statewide coordinating committee.

By Senate Committee on Human Services & Corrections (originally sponsored by Senators Kohl-Welles, Carrell, Darneille, Padden, Kline, Hargrove, Fraser, Chase, Keiser, Conway, Cleveland and Tom).

Senate Committee on Human Services & Corrections  
House Committee on Public Safety

**Background:** The recruitment, transportation, and sale of people for labor is a problem in Washington State. Several factors make Washington prone to human trafficking, including an international border with Canada, an abundance of ports, vast rural areas, and dependency on agricultural workers. Seattle is part of a trafficking circuit that can include Honolulu, Las Vegas, New Orleans, Portland, Vancouver – Clark County, Yakima, and Canada. Trafficking has occurred in 18 Washington State counties.

Traffickers often prey on individuals who are poor, frequently unemployed or underemployed, and who may lack access to social safety nets. Victims range from domestic workers to mail-order brides to commercially sexually exploited children. Sex trafficking victims, in particular, are often minors who have been recruited, transported, or obtained to perform commercial sex acts, which are any sex acts done in exchange for monetary or other nonmonetary gain.

**Summary:** The Commercially Sexually Exploited Children Statewide Coordinating Committee (Committee) is established to address the issue of children who are commercially sexually exploited, examine the practices of local and regional entities involved in addressing sexually exploited children, and make recommendations on statewide laws and practices.

The Committee is called to order by the Office of the Attorney General, and the prescribed membership includes legislators, representatives from state and local agencies, and relevant criminal justice entities. The legislative representatives must be appointed by the Speaker of the House of Representatives and the President of the Senate. The representatives of nongovernmental organizations and community service providers must be appointed by the Office of the Attorney General.

The duties of the Committee include, but are not limited to, overseeing and reviewing the implementation of the Washington State Model Protocol at pilot sites; receiving reports and data from local and regional entities regarding the incidence of commercially sexually exploited children in their areas; reviewing recommendations from local and regional entities regarding policy changes that would improve the effectiveness of local response practices; and making recommendations regarding data collec-

## SSB 5315

tion and strategic local investments to address the commercial sexual exploitation of children.

This section expires on June 30, 2015.

The Committee must meet no less than annually.

### Votes on Final Passage:

Senate	49	0	
House	97	0	(House amended)
Senate	48	0	(Senate concurred)

**Effective:** July 28, 2013

## SSB 5315

C 254 L 13

Implementing the recommendations made by the Powell fatality team.

By Senate Committee on Human Services & Corrections (originally sponsored by Senators Becker, Dammeier, Rivers, Padden and Roach).

Senate Committee on Human Services & Corrections  
Senate Committee on Ways & Means  
House Committee on Early Learning & Human Services  
House Committee on Appropriations Subcommittee on Health & Human Services

**Background:** In January 2010, Joshua Powell and his two young boys moved from West Valley City, Utah to Mr. Powell's father's home in Puyallup, WA. The family moved following the suspicious disappearance of Mr. Powell's wife and the children's mother. Mr. Powell was a person of interest in his wife's disappearance.

In September 2011, the children were removed from their father's home and placed into protective custody with Children's Administration as the result of an arrest warrant issued against the children's paternal grandfather on charges related to child pornography. The children were subsequently placed in a relative foster care placement with their maternal grandparents. Following a hearing on February 1, 2012, where Mr. Powell was seeking the return of his children, Mr. Powell was ordered to undergo a psychosexual evaluation. On February 5, 2012, Charlie and Braden Powell were killed by their father while on a supervised visit in their father's home.

In April and June of 2012, the Department of Social and Health Services (DSHS) conducted a Child Fatality Review of the children's deaths. Upon completion of the review, the committee made the following recommendations:

- In dependency proceedings when there is an active criminal investigation, Children's Administration should make concerted efforts to include and consult with the assigned detective prior to making changes in parent/child contact.
- Given the intrusive nature of a psychosexual evaluation, Children's Administration should reassess par-

ent/child contact prior to the next parent-child visit when a judge orders a parent to undergo such psychosexual evaluation in the course of a dependency proceeding.

- Because the identification of domestic violence is critical when making case decisions intended to increase safety for children, Children's Administration staff should receive on-going training and regular consultation on domestic violence.
- In cases where the judge orders a child's placement with a specific caregiver over the objection of a parent, the reasons should be articulated in the court record.

**Summary:** In a dependency hearing and upon determining that the child should be removed from the home, if a court orders the child to be placed with a caregiver over the objections of the parent or DSHS, the court must articulate on the record the court's reasons for ordering the placement.

When a parent or sibling who desires visitation with a child is an identified suspect in an active criminal investigation for a violent crime that, if the allegations are true, would impact the safety of the child, DSHS must make a concerted effort to consult with the assigned law enforcement officer in the criminal case before recommending any changes in parent/child or child/sibling contact. Law enforcement must provide any available information pertaining to the criminal case that may have serious implications for child safety or wellbeing to DSHS. Information provided to DSHS by law enforcement may only be used to inform family visitation plans, may not be shared or distributed, and is exempt from public inspection. The results of the consultation must be communicated to the court. DSHS must develop policies and protocols for consultation with the assigned law enforcement officer in the event of an active criminal investigation of the parent.

In the event a judge orders a parent to undergo a psychosexual evaluation, and pending the outcome of the evaluation, DSHS may, subject to the approval of the court, reassess visitation duration, supervision, and location. If the assessment indicates the current visitation plan might compromise the safety of the child, DSHS, subject to approval by the court, may alter the plan, pending the outcome of the evaluation.

Caseworkers employed in child services must receive ongoing domestic violence training and consultation, including how to use the Children's Administration's practice guide to domestic violence.

### Votes on Final Passage:

Senate	47	0	
House	96	0	(House amended)
Senate	47	0	(Senate concurred)

**Effective:** July 28, 2013

**SSB 5316**

C 48 L 13

Adopting a model policy to require a third person to be present during interviews.

By Senate Committee on Human Services & Corrections (originally sponsored by Senators Becker and Carrell).

Senate Committee on Human Services & Corrections  
House Committee on Early Learning & Human Services

**Background:** In conducting an investigation of alleged abuse or neglect, the Department of Social and Health Services (DSHS) or law enforcement agencies may interview children. The interviews may be conducted on school premises, at day-care facilities, at the child's home, or at other suitable locations outside the presence of the parents. Parental notification of the interview must occur at the earliest possible point in the investigation that will not jeopardize the safety or protection of the child or the investigation.

Prior to commencing the interview, DSHS or the law enforcement agency must determine whether the child wishes a third party to be present for the interview and, if so, must make reasonable efforts to accommodate the child's wishes. Unless the child objects, DSHS or the law enforcement agency must make reasonable efforts to include a third party in the interview so long as the presence of the third party would not jeopardize the course of the investigation.

**Summary:** The Washington State School Directors' Association (WSSDA) must adopt a model policy to implement statutory provisions regarding the interview of children in child abuse and neglect investigations on school premises. The Association must consult with DSHS and the Washington Association of Sheriffs and Police Chiefs (WASPC) in formulating its policy.

**Votes on Final Passage:**

Senate	49	0
House	94	0

**Effective:** July 28, 2013

December 1, 2013 (Section 2)

**ESSB 5324**

C 209 L 13

Concerning mosquito abatement in storm water control retention ponds.

By Senate Committee on Energy, Environment & Telecommunications (originally sponsored by Senators Honeyford, Fraser and Ericksen).

Senate Committee on Energy, Environment & Telecommunications

House Committee on Agriculture & Natural Resources

**Background:** Cities, towns, counties, and water-sewer districts construct stormwater control facilities to control storm, flood, or surplus waters to protect public health, highways, property, and other facilities. To mitigate the impact of the volume of stormwater from impervious surfaces and reduce pollutants from entering water bodies downstream, stormwater facilities may be constructed with retention ponds. Retention ponds manage stormwater runoff by reducing flows and by allowing pollution to settle and be taken up through biological activity. These ponds may have water throughout the year or at least during the wet season.

West Nile Virus (WNV) is a disease that causes fever, headache, and a rash. In severe cases, meningitis, encephalitis, and paralysis may occur. Mosquitoes transmit WNV through bites to humans and other animals. WNV is a reportable disease and when discovered in animals or suspected in humans, health care providers and facilities must notify local health jurisdictions within three business days. Local health jurisdictions must report investigations to the Department of Health (DOH). WNV was first detected in Washington in 2002, and the first human case was reported in 2006. In 2009, there were 38 human cases. There have been no cases reported as of yet in 2013. There is ongoing monitoring for WNV activity in certain counties.

Integrated pest management (IPM) is used to manage pests by the most economical means and with the least possible hazard to people, property, and the environment. It relies on information about the life-cycles of pests, their interaction with the environment, and using available pest control methods.

**Summary:** A county, city, town, water-sewer district, or flood control zone district must consider and, to the extent possible consistent with the Department of Ecology's design guidelines for stormwater retention ponds, construct stormwater facilities to maintain and control vegetation to inhibit mosquito breeding; and consult with local mosquito control districts, where established, when developing construction plans that include stormwater retention ponds. A county, city, town, water-sewer district, or flood control zone district must maintain and control vegetation growth in, without compromising the function of, stormwater retention ponds to minimize mosquito propagation.

When notified of the presence of WNV or other mosquito-borne human diseases, a county, city, town, water-sewer district, or flood control zone district must consult with DOH or the mosquito control district as to the most effective IPM strategy to use. In areas with mosquito control districts, the district must abate mosquitoes when notified of the presence of WNV or other mosquito-borne human diseases.

**Votes on Final Passage:**

Senate	49	0	
House	94	0	(House amended)
Senate	48	0	(Senate concurred)



**Effective:** July 28, 2013**E2SSB 5329**

C 159 L 13

Transforming persistently failing schools.

By Senate Committee on Ways & Means (originally sponsored by Senators Litzow, Hobbs, Fain, Hatfield, Tom, Frockt and Roach).

Senate Committee on Early Learning & K-12 Education  
Senate Committee on Ways & Means  
House Committee on Education  
House Committee on Appropriations

**Background:** Accountability System. In 2010, the Washington Legislature created an accountability system intended to be implemented in two phases. Phase I uses federal guidelines to designate the lowest-achieving schools that are eligible for federal Title I program funds to apply for a federal School Improvement Grant (SIG) to implement one of four federal intervention strategies. The system was to be voluntary the first year but required thereafter. Each year, if the federal funds are available, the Office of Superintendent of Public Instruction (OSPI) identifies the schools and recommends that the State Board of Education (SBE) designate a school district as a Required Action District (RAD) if the district has a school identified as a persistently lowest-achieving school. The RAD must undergo an academic audit, develop a required action plan that implements one of four federal intervention models, have the plan approved by SBE, and then implement the plan using a SIG. If SBE rejects a required action plan, the school district may request reconsideration by a Required Action Plan Review Panel (Panel) convened for this purpose. The Panel makes recommendations, but SBE's decision after reconsideration is final. A procedure is established for re-opening collective bargaining agreements in order to implement a required action plan. OSPI recommends release of a district from required action after at least three years if the school made sufficient progress. If a district fails to make the necessary improvements, then the district must submit a new plan. Since 2010, OSPI has annually identified the list of persistently lowest-achieving schools. Twenty-eight schools have received \$67 million in federal three-year SIGs; four schools were designated as RADs. OSPI is not anticipating additional federal funding for SIGs and thus did not designate any RADs for the 2012-13 school year.

Intent language in the 2010 legislation also provided for a Phase II, beginning in 2013 using the Accountability Index (Index), if federally approved, to identify schools in need of improvement, including schools that are not eligible for federal Title I program funds, in order to implement state and local intervention models with state funds. The Index did not receive federal approval and state funding

for SIGs was eliminated in the 2011-13 biennial budget. However, SBE and OSPI are currently jointly working to make changes to the Index in order to use it under a provisional one-year waiver from certain federal requirements in the Elementary and Secondary Education Act (ESEA). Under the ESEA waiver:

- low-achieving schools are categorized as Priority, Focus, and Emerging, with performance measures using the test scores of all students, plus achievement gaps between groups of students, as well as high school graduation rates for all students and subgroups of students;
- instead of implementing specific federal intervention models, low-achieving schools must use turnaround principles established by the federal Department of Education to improve performance; and
- states are permitted to propose their own methods for identifying schools and their own systems of providing support, assistance, and intervention based on their performance.

According to the Education Commission of the States, 29 states enacted policies that allow the state to take over a school district that is low performing. The level of state control and local influence in such takeovers varies from state to state.

Authority to Withhold Funds. If a school district's basic education program fails to meet the basic education requirements, then SBE must require OSPI to withhold state funds in whole or in part for the basic education allocation until program compliance is assured. However, SBE may waive this requirement in the event of substantial lack of classroom space.

Legislative Committee on Education Accountability. The 2010 law also established a Joint Select Committee on Education Accountability (Joint Select Committee) with eight legislators to examine various topics, including options for significant state action if a RAD continues to fail to improve. The Joint Select Committee must submit a final report by September 2013.

**Summary:** Accountability System. SBE must propose rules to establish an accountability framework. OSPI must then design a system of support, assistance, and intervention based on the framework and submit the design to SBE for review. The system must be implemented statewide no later than the 2014-15 school year. To the extent state funds are available, the system must apply equally to Title I and non-Title I schools. Beginning December 1, 2013, OSPI must identify a category of schools called challenged schools in need of improvement. The criteria adopted by OSPI in rule to identify schools must meet federal requirements under ESEA or other federal rules or guidance. The state Accountability Index is renamed the Washington Achievement Index, and if federally approved, OSPI must use it to identify challenged schools in need of improvement.

OSPI must also identify persistently lowest-achieving schools for the state RAD process that are a subset of the challenged schools. The criteria for this designation must also be adopted by OSPI in rule and include lack of progress over a number of years, as well as the availability of funds for implementation of a required action plan. State as well as federal funds may be used to support a required action plan. The requirement that a RAD must implement one of four specified federal intervention models is replaced with a requirement that a RAD must implement an OSPI-approved school improvement model, based on turnaround principles. The turnaround principles are defined. OSPI must also develop guidelines for required action plans. School districts with more than one persistently lowest-achieving school must develop a required action plan for each school, as well as a plan for how the district will provide assistance.

**Level II Required Action.** If a RAD has not demonstrated sufficient improvement after at least three years of implementing a required action plan, SBE may either require development of a new plan or assign the district to a new Level II RAD process. If the RAD was a previous recipient of a federal SIG, SBE may assign the district to Level II after one year. Before assigning a district to Level II, SBE must submit its findings to an Education Accountability System Oversight Committee (Oversight Committee), which must provide a review and comment back to SBE on the Level II decision.

Under Level II, OSPI must direct that a needs assessment and review be conducted to identify the reasons why the previous required action plan did not succeed. OSPI must then work with the school board to develop a Level II Plan that specifically addresses the findings of the needs assessment and specifies the interventions that must be implemented. Interventions may include reallocation of resources, reassignment of personnel, use of a specified intervention model, or other conditions that OSPI determines are necessary for the Level II plan to succeed, which are binding on the school district. The Level II plan must also specify the assistance to be provided from OSPI, which may include assignment of onsite specialists with experience in school turnaround and cultural competence, and assistance from the educational service district. Level II plans must be submitted to SBE for approval. If OSPI and the school board do not agree, then OSPI must submit the Level II Plan to SBE directly. The school board may request a reconsideration from the Panel, but the SBE's decision is final after considering the Panel's recommendations.

School districts and employee organizations must reopen collective bargaining agreements if necessary to implement a Level II plan, using the process authorized under current law. If the Level II plan is one developed by OSPI without the agreement of the school board, then OSPI must participate in the collective bargaining discussions. OSPI is responsible for assuring that a Level II plan

is implemented with fidelity. OSPI must defer to the local school board as the governing authority of the school district, but if OSPI finds that the Level II plan is not being implemented as specified then OSPI may direct actions that must be taken by school personnel to implement the Level II plan or any binding conditions within it.

**Authority to Withhold Funds.** If any Level II binding conditions are not being followed, then OSPI may withhold the allocation of funds under authority provided in current law.

**Legislative Committee on Education Accountability.** An Oversight Committee is established with two legislators from each caucus of the House of Representatives and the Senate, two appointees from the Governor, and one non-legislative member of the Educational Opportunity Gap Oversight and Accountability Committee. The Oversight Committee is directed to monitor the effectiveness of the state system of support, assistance, and intervention in improving student achievement; review SBE determinations to assign a district to Level II RAD; make recommendations as necessary; and submit a biennial report to the Legislature. The Joint Select Committee is repealed.

**Votes on Final Passage:**

Senate	30	19	
House	68	29	(House amended)
Senate	44	3	(Senate concurred)

**Effective:** July 28, 2013  
June 30, 2019 (Section 6)

**SSB 5332**

C 49 L 13

Modifying the percentage of votes required to continue benefit charges for fire protection districts.

By Senate Committee on Governmental Operations (originally sponsored by Senators Roach, Nelson, Rolfes, Conway, Fain and Delvin).

Senate Committee on Governmental Operations  
House Committee on Local Government  
House Committee on Finance

**Background:** Fire protection districts are created to provide fire prevention, fire suppression, and emergency services within a district's boundaries. A fire protection district may be established through voter approval. A fire protection district is governed by a board of commissioners (board) composed of three, five, or seven members who are registered voters residing in the district. The board must hold regular monthly meetings and may call special meetings at any time under the Open Public Meetings Act. A fire protection district has the powers and authorities of a municipal corporation. A fire protection district may be financed by imposing regular property tax-

es, excess voter-approved property tax levies, and benefit charges.

A benefit charge is a type of assessment imposed upon a property owner based upon the measurable benefits to be received by the property owner from fire protection districts and fire protection authorities. A district or authority may use this funding approach as a means for apportioning the real costs of service to an individual property in a manner that reflects the actual benefits provided to that property. The imposition of a benefit charge is subject to voter approval by a 60 percent majority of the voters living within the jurisdiction of the district. Subject to the voter approval, a district has the option of imposing benefit charges in lieu of a portion of the property tax it is otherwise authorized to impose.

**Summary:** The continued imposition of a benefit charge is subject to voter approval by a simple majority of the voters living within the jurisdiction of the fire protection district.

**Votes on Final Passage:**

Senate	33	16
House	54	40

**Effective:** July 28, 2013

**SB 5337**

C 255 L 13

Modifying expiration dates affecting the department of natural resources' timber sale program.

By Senators Pearson, Fraser, Hargrove, Nelson, Smith, Fain, Kline, Hobbs, Shin, Tom and Parlette; by request of Department of Natural Resources.

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

**Background:** State Timber Sales Generally. Historically, the Department of Natural Resources (DNR) has primarily sold timber by identifying the timber stand to be sold, appraising the timber, and detailing the terms and conditions of the sale. The successful bidder at auction then has the right to harvest and remove the timber within a specified period. Contract Harvest Authority Generally. In 2003, the Legislature authorized DNR to create a contract harvest program, where DNR contracts with an individual to harvest timber and process that timber into logs sorted to DNR's specifications. DNR was prohibited from using contract harvesting for more than 10 percent of the annual timber volume offered for sale.

The Legislature created a revolving account to accept proceeds from contract harvest log sales and to pay the associated costs of such sales. After making deductions for its management costs, DNR distributes the net proceeds from contract harvest sales to the appropriate beneficiary account. The 2003 law set the maximum account balance

at \$1 million, measured at the end of the fiscal year, with any excess funds subject to automatic distribution.

2009 Changes to Contract Harvest and Timber Sale Statutes. In 2009, ESB 6166 temporarily modified DNR's contract harvest and timber sale authority in several ways. The bill:

- increased the maximum authorized use of contract harvesting from 10 to 20 percent of DNR's total annual volume of timber offered for sale;
- increased the maximum account balance from \$1 million to \$5 million, as measured by the end of the calendar year instead of the fiscal year;
- applicable to timber sales generally, directed DNR to set final timber appraisal value based on current market prices; and
- also applicable to timber sales generally, directed DNR to provide flexibility where possible in timber sale contract management to mitigate against contract defaults.

Each of the changes made in 2009 are set to expire January 1, 2014.

**Summary:** Extends the effect of each of the changes made by the Legislature in ESB 6166 (2009) for an additional five years, which is January 1, 2019.

**Votes on Final Passage:**

Senate	48	0
House	96	0

**Effective:** July 28, 2013

**SB 5343**

C 271 L 13

Concerning the rights of higher education students involved in military service.

By Senators Bailey, Rivers, Hobbs, Kline, Mullet, Fain, Frockt, Billig, Shin, Tom, Conway and Roach; by request of Washington State Bar Association.

Senate Committee on Higher Education  
House Committee on Higher Education

**Background:** According to Washington law, a member of the Washington National Guard or any other military reserve component who is a student at an institution of higher education and who is ordered for a period exceeding 30 days to either active state service or to federal active military service has the right to:

- withdraw from one or more courses for which tuition and fees have been paid that are attributable to the courses;
- be given a grade of incomplete and be allowed to complete the course upon release from active duty under the institution's standard practice for completion of incompletes; or

- continue and complete the course for full credit.

If the student chooses to withdraw, the student has the right to be readmitted and enrolled as a student at the institution, without penalty or redetermination of admission eligibility, within one year following release from the state or federal active military service.

**Summary:** A member of the Washington National Guard or any other military reserve component who is a student at an institution of higher education and who is ordered for a period of 30 days or less to either active or inactive state or federal service and as a result of that service or a follow-up medical treatment for injury incurred during that service misses any of the following: class, test, examination, laboratory, class day on which a written or oral assignment is due, or other event upon which a course grade or evaluation is based, is entitled to make up these events without prejudice to the final course grade or evaluation. The make-up must be scheduled after the member's return from service and after a reasonable time for the student to prepare for the event.

Class sessions a student misses due to performance of military service must be counted as excused absences and may not be used in any way to adversely impact the student's grade or standing in class.

If the faculty member teaching the course determines that the student completed sufficient work and demonstrated sufficient progress toward meeting course requirements to justify the grade without making up the class, test, examination, or other event, the grade may be awarded without the make-up work. However, the missed event must not be used to adversely impact the student's grade or standing in the class.

**Votes on Final Passage:**

Senate	48	0
House	95	0

**Effective:** July 28, 2013

**SB 5344**

C 272 L 13

Revising state statutes concerning trusts.

By Senators Mullet, Hobbs, Kline, Fain and Benton.

Senate Committee on Financial Institutions, Housing & Insurance

House Committee on Judiciary

**Background:** Trusts are a means of transferring property. A trust is created by a trustor, who gives the trustor's property to a trustee. The trustee holds legal title to the property, but only manages the property for the benefit of other individuals specified by the trustor, referred to as beneficiaries. The beneficiaries hold equitable title to the property, meaning the beneficiaries enjoy the property, but do not have control over the trustee or how the trustee manages the legal title. Trusts may be made revocable or irrevocable by the trustor.

Revocable living trusts are commonly used as an alternative to traditional wills as a way to pass property upon death.

Washington's laws of trusts and estates exist in both statute and common law. Washington statutes govern a range of trust issues, including the authority of trustees, trust administration, distribution of assets, liability issues, and the investment of trust funds. In 2011, the Legislature unanimously passed SHB 1051 which made major revisions to the Washington Trust Act (Act) in response to recommendations from the National Conference of Commissioners on Uniform State Laws to provide consistency and an integrated framework of rules to deal with trusts.

The Washington State Bar Association's taskforce on probate and trust law are recommending additional uniformity updates to the Act.

**Summary: Personal Representatives and Trustees.** A nonprofit corporation is authorized to serve as a personal representative if the articles of incorporation or bylaws of the nonprofit corporation permit the action. Limited liability partnerships and professional limited liability companies whose partners or members, respectively, are exclusively attorneys, may act as personal representatives or trustees. State or regional colleges or universities and community or technical colleges are authorized to serve as trustees.

**Virtual Representation.** A person with a substantially identical interest with respect to a particular question or dispute concerning the trust is authorized to represent and bind an unrepresented minor, incapacitated or unborn individual, or person whose location is unknown and not reasonably ascertainable. Any notice to a representative of the beneficiary has the same effect as if it were given directly to the beneficiary. A person may not, however, represent and bind a beneficiary with respect to the termination or modification of an irrevocable trust.

The Attorney General may represent remote charitable beneficiaries or non-specific charitable beneficiaries for trust administration purposes including receipt of notice, objection to the transfer of location, or as a party to a binding nonjudicial agreement as authorized under statute.

**Duty to Keep Beneficiaries Informed.** A trustee must keep all qualified beneficiaries of a trust reasonably informed about the administration of the trust and of any other relevant information necessary to protect their interests in the trust. Within 60 days of accepting the trusteeship, unless waived or modified, a trustee must give notice to the qualified beneficiaries of the trust about the existence of the trust, the identity of the trust or trustors, the trustee's contact information, and the qualified beneficiaries' right to request information reasonably necessary to enforce their rights under the trust.

**Statute of Limitations.** A beneficiary of a trust may not commence a breach of trust proceeding against a trustee more than three years after the date a report concerning

the potential breach has been delivered to the beneficiary or representative of the beneficiary. The report must also include information regarding the time allowed for the commencement of a breach of trust proceeding. Adequate information in the report may include the trust's income tax returns and monthly brokerage accounts statements if such information is complete and sufficiently clear.

Judicial Reform of Will or Trust Due to Mistake of Fact or Law. The terms of a will or trust may be reformed by judicial proceeding to conform to the trustor's original intent. A higher standard of clear and convincing proof must be met in order to substantiate a claim that the intent of the testator or trustor and the terms of the will or trust were affected by a mistake of fact or law, whether in expression or inducement.

Accepting or Declining Trusteeship. In order to accept the trusteeship, a designated trustee must substantially comply with the method of acceptance provided in the terms of the trust. If a method for acceptance is not provided or is unclear, the designated trustee may accept a trusteeship by accepting delivery of the trust property, exercising powers or performing duties as trustee, or by indicating acceptance of the trusteeship.

Without accepting the trusteeship, a designated trustee may act to preserve the trust property and inspect the property for potential legal liability or other purposes if, within a reasonable time of acting, the designated trustee sends a written notice of refusal to the trustor, a successor trustee, or a qualified beneficiary.

A designated trustee that has not yet accepted the trusteeship may decline the trusteeship by delivering written notice of such refusal to the trustor, a successor trustee, or a qualified beneficiary.

Applicability. Unless otherwise provided for in statute, the amendments to the Act apply to all trusts created before, on, or after January 1, 2013, and to all judicial proceedings concerning trusts commenced on or after January 1, 2013. The amendments to the Act, however, are not applicable to any action taken before January 1, 2013.

If any other statute provides a right under the trust which is acquired, extinguished, or barred after a defined period of time has expired, that statute applies even if it has been repealed or superseded if the defined period of time under that statute has commenced to run before January 1, 2013.

Miscellaneous Provisions. Additional definitions are added and several technical changes are made throughout the Act.

**Votes on Final Passage:**

Senate	47	2	
House	97	0	(House amended)
Senate	45	3	(Senate concurred)

**Effective:** July 28, 2013

Clarifying the terminology and duties of the real estate agency relationship law to be consistent with other existing laws.

By Senate Committee on Commerce & Labor (originally sponsored by Senators Holmquist Newbry, Conway and Hewitt).

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

**Background:** The Department of Licensing (DOL) is responsible for the licensing required for real estate transactions.

Real Estate Brokers and Managing Brokers. One chapter of the Revised Code of Washington (RCW) addresses the licensing of the persons and entities that perform real estate services. This chapter was overhauled in 2008 and included changes in terminology. The licensing of real estate brokers, managing brokers, designated brokers, and real estate firms replaced the previous licensing structure of real estate salespersons, associate brokers, and brokers.

Real Estate Brokerage Agency Relationships. A separate RCW chapter addresses the real estate brokerage agency relationships. Until 1996, the duties owed by a real estate broker or sales agent to a buyer, seller, landlord, or tenant were based on the common law of agency. Agency is a consensual relationship between two persons where one, the principal, empowers the other, the agent, to act, and the agent acts based on that authority. Agency relationships can be created expressly in writing or by words or conduct. Conduct that determines an agency relationship in real estate sales and leasing includes paying a commission to the agent. Duties owed by an agent to a principal in a real estate transaction generally include loyalty, obedience, disclosure, confidentiality, reasonable care and diligence, and accounting. The scope of those duties evolved through the courts.

In 1996, the common law fiduciary duties owed by an agent were changed by the passage of the new chapter on real estate brokerage agency relationships. A number of duties concerning the relationship of an agent to the principal; buyer or seller, landlord or tenant, are set forth in statute. These statutory duties specifically superseded the common law rules applied to real estate licensees to the extent that they are inconsistent.

An agent may represent only the buyer or the seller unless otherwise agreed in writing. Absent an agreement, the agent represents the buyer. A pamphlet describing the statutory duties must be provided to all parties by the real estate agent before:

- any agency agreements or real estate offers are signed;
- a party consents to dual agency; or
- a party waives any rights that may be waived.

**General Duties of a Licensee.** An agent is a licensee who has an agency relationship with a buyer or seller. Certain duties apply to licensees generally when performing real estate brokerage services as an agent, including the duty to:

- exercise reasonable skill and care;
- deal honestly and in good faith;
- present all written offers, notices, and other communications in a timely manner;
- disclose all material facts known by the licensee and not easily ascertainable to a party;
- account for all money and property received in a timely manner;
- provide a pamphlet on the law of real estate agency to all parties; and
- disclose what party a licensee represents, if any, in a real estate transaction.

These duties cannot be waived.

An agent need not conduct an independent investigation of the property or of either party's financial condition. The agent has no duty to verify any information the agent reasonably believes to be reliable.

**Duties of an Agent.** Certain duties apply between an agent and a seller, an agent and a buyer, or in a dual agency relationship, including the duty to:

- be loyal by taking no action that would be adverse to the client;
- disclose in a timely manner any conflicts of interest;
- advise the client to get expert advice on matters relating to the transaction that are beyond the agent's expertise; and
- refrain from disclosing confidential information about the client except under subpoena or court order.

These duties cannot be waived. The only duty that can be waived is the duty to make a good faith and continuous effort to seek a buyer for a seller or a seller for a buyer. It is not a breach of duty to the principal for the agent, in the case of a seller, to show or list competing properties, or, in the case of a buyer, to show properties to competing buyers.

A licensee may represent both the buyer and the seller if all parties agree in writing. The consent to this dual agency must include the terms of compensation.

**Duration of the Agency Relationship.** The agency relationship begins when the licensee performs brokerage services. The relationship continues until the licensee completes the services, the agreed upon period of service is ended, notice of termination is given by one party, or the parties agree to termination. Once the brokerage relationship is terminated, an agent is obligated to account for all monies and property received and to keep appropriate information confidential.

**Compensation.** Payment of compensation is not a factor in determining the existence of an agency relationship. A broker may be paid by any party to the transaction and

may be paid by more than one party if the parties agree. A buyer's agent may be paid based on the purchase price without breaching any duty owed to the buyer.

**Vicarious Liability.** A principal, buyer or seller, is liable for the actions of the agent, real estate licensee, only if the principal participated in or authorized the act, or the principal benefitted from the act and a court determines that no judgment could be enforced against the agent or a subagent. A licensee agent is not liable for the acts of a subagent unless the licensee participated in or authorized the act.

**Imputed Knowledge.** There is no presumption of knowledge on the part of the principal, buyer or seller, of facts known by the agent or subagent of the principal.

**Sanctions.** The Director of DOL may impose sanctions on a licensee for violation of the laws governing real estate brokerage relationships.

**Summary:** A number of changes are made to definitions in the real estate brokerage agency chapter to conform to the definitions in the chapter that provides licensing of persons and entities that perform real estate services. Broker is defined to include broker, managing broker, and designated broker, as those terms are defined in the chapter providing licensing for real estate brokers and managing brokers. A definition of real estate firm (firm) is added. Firm means a business entity licensed by DOL to conduct real estate brokerage services in this state. The definition of licensee is struck. Language changes are made throughout the act to conform to the changes in definitions.

The duties listed in the real estate brokerage agency relationship chapter are statutory duties, not fiduciary duties. The chapter supersedes all, not just inconsistent, common law fiduciary duties owed by a principal to an agent.

The provisions setting forth the formatting of the pamphlet and briefly summarizing the required subjects in the pamphlet are modified to reflect the changes in this act and the 2012 addition of the duty of a firm representing the seller of owner-occupied real property in a short sale.

A citation is corrected. Numerous language changes are made.

**Votes on Final Passage:**

Senate	46	1
House	93	0

**Effective:** July 28, 2013

**SB 5355**  
C 189 L 13

Implementing the unemployment insurance integrity provisions of the federal trade adjustment assistance extension act of 2011.

By Senators Holmquist Newbry, Conway, Kohl-Welles and Keiser; by request of Employment Security Department.

Senate Committee on Commerce & Labor  
House Committee on Labor & Workforce Development

**Background:** The unemployment compensation (UC) program is a federal and state program that provides wage replacement benefits to people who became unemployed through no fault of their own. Generally, federal law governs the administration of the basic program, while state law addresses the issue of eligibility for benefits and benefit levels. A state payroll tax levied on employers provides funding for benefits, and a federal tax provides administration funding for the program. If state UC laws conform to federal UC laws, states will receive federal funding to administer their UC laws, and employers in those states may credit their state tax against their federal tax. Washington is considered a conforming state.

Recent federal legislation amended a number of federal UC program requirements, posing a conformity risk for states that fail to amend state laws accordingly.

The Employment Security Department (ESD) must recover benefit overpayments from persons determined to be ineligible. ESD may settle or waive overpayments with claimants if the overpayment was not the result of fraud or fault attributable to the individual and recovery of the total amount owed would be against equity and good conscience.

An individual who knowingly makes a false statement or representation in an attempt to obtain UC benefits will be disqualified from benefits for 26 weeks. First-time offenders are not subject to any additional monetary penalties, though repeat offenders are subject to longer disqualification periods and additional penalties calculated as a percentage of the amount of benefits overpaid or deemed overpaid – 26 percent for the second violation, and 50 percent for every additional violation. The additional penalties are deposited in ESD's penalty and interest account.

Generally all UC benefits paid to claimants must be charged to the experience rating of the employer. However, certain benefit payments are not charged; rather, the benefits are socialized among all rate-paying employers. Benefits paid to an individual later determined to be ineligible are not charged, unless the claim became invalid due to the amendment of a report where the employer failed to report or inaccurately reported hours worked or wages paid.

**Summary:** An individual who makes a false statement or representation in an attempt to obtain UC benefits is sub-

ject to an additional penalty of 15 percent of the amount of benefits overpaid or deemed overpaid. This additional penalty, as well as the first 15 percent of the penalty imposed on repeat offenders, is deposited in the unemployment insurance trust fund.

When determining whether full recovery of an overpayment from a claimant would be against equity and good conscience, ESD must consider whether the employer or employer's agent failed to respond timely and adequately to an information request relating to the claim without good cause for the failure.

An employer may not be granted benefit charge relief for benefit payments if:

- the benefit payment was made because the employer or their agent failed to respond timely or adequately to a written request for information;
- there is no good cause for the failure to respond as determined by ESD; and
- the employer or their agent has a pattern of such failures.

A pattern exists if the employer failed to respond without good cause leading to the payment of benefits at least three times in the previous two years, or on at least 20 percent of the current claims against the employer. For employers that use agents, the actions of the agent count when determining whether the employer has a pattern of failing to respond.

**Votes on Final Passage:**

Senate	49	0	
House	89	4	(House amended)
Senate	47	0	(Senate concurred)

**Effective:** October 20, 2013

**SB 5359**  
C 273 L 13

Concerning mandatory reporting of child abuse or neglect by supervised persons.

By Senator Carrell.

Senate Committee on Human Services & Corrections  
House Committee on Early Learning & Human Services

**Background:** When the following persons have reasonable cause to believe that a child has suffered abuse or neglect, they must report the incident to either law enforcement or the Department of Social and Health Services (DSHS): physicians; county coroners; law enforcement officers; professional school personnel; registered or licensed nurses; social service counselors; psychologists; pharmacists; Department of Early Learning employees; licensed or certified child care providers; juvenile probation officers; placement and liaison specialists; responsible living skills program staff; DSHS employees; HOPE center

staff; state family and children's ombudsman employees, or any volunteers in the ombudsman's office.

The reporting requirement also applies to a variety of other persons in specific situations:

- Department of Corrections (DOC). DOC personnel who, as a result of observations made in the course of employment, have reasonable cause to believe that a child has suffered abuse or neglect must report the incident to law enforcement or DSHS.
- Adults with Whom Child Resides. An adult who has reasonable cause to believe that a child who resides with that adult has suffered severe abuse must report the incident to law enforcement or DSHS. Severe abuse means any single act of abuse that causes physical trauma of sufficient severity that, if left untreated, could cause death; any single act of sexual abuse that causes significant bleeding, deep bruising, or significant external or internal swelling; or more than one act of physical abuse that causes bleeding, deep bruising, significant external or internal swelling, bone fracture, or unconsciousness.
- Guardians ad Litem (GAL). Any GAL or court-appointed special advocate appointed in dependency, domestic relations, or guardianship cases who, in the course of that person's representation of children in these actions, has reasonable cause to believe the child the GAL represents has been abused or neglected, must report the incident to law enforcement or DSHS.
- Person in Supervisory Capacity. Any person who, in an official supervisory capacity with a profit or non-profit organization, has reasonable cause to believe that a child has been abused or neglected by a person over whom supervisory authority is regularly exercised, must report the incident to the proper law enforcement agency. This requirement applies only when the alleged abuser is employed by, contracted by, or volunteers with the organization and counsels, coaches, trains, or educates a child or children as part of the employment, contract, or voluntary service. Official supervisory capacity means a position, status, or role that is created, recognized, or designated by any organization or entity whose scope includes overseeing, directing, or managing another person who is employed by, contracted by, or volunteers with the organization or entity.
- Any Other Person. Any person who has reasonable cause to believe that a child has suffered abuse or neglect may, but is not required to, report the incident to law enforcement or DSHS.

Persons mandated to report suspected child abuse or neglect must do so at the first opportunity but in no case longer than 48 hours after there is reasonable cause to be-

lieve the child has suffered abuse or neglect. A mandated reporter who knowingly fails to make a report or cause a report to be made is guilty of a gross misdemeanor.

**Summary:** Terms are defined to further outline the circumstances when a person in a supervisory capacity is mandatorily required to report suspected child abuse or neglect.

"Organization" includes a sole proprietor, partnership, corporation, limited liability company, trust, association, financial institution, governmental entity other than the federal government, and any other individual or group engaged in a trade, occupation, enterprise, governmental function, charitable function, or similar activity in this state whether or not the entity is operated as a nonprofit or for-profit entity.

"Reasonable cause" means a person witnesses or receives a credible written or oral report alleging abuse, including sexual contact, or neglect of a child.

"Sexual contact" has the same meaning as in RCW 9A.44.010; any touching of the sexual or other intimate parts of a person done for the purpose of gratifying sexual desire of either party or a third party.

**Votes on Final Passage:**

Senate	49	0	
House	97	0	(House amended)
Senate	47	0	(Senate concurred)

**Effective:** July 28, 2013

December 1, 2013 (Section 2)

## SSB 5362

C 331 L 13

Addressing the recommendations of the vocational rehabilitation subcommittee for workers' compensation.

By Senate Committee on Commerce & Labor (originally sponsored by Senators Conway, Holmquist Newbry, Keiser and Kohl-Welles; by request of Department of Labor & Industries).

Senate Committee on Commerce & Labor  
House Committee on Labor & Workforce Development  
House Committee on Appropriations Subcommittee on Health & Human Services

**Background:** Injured workers are eligible for vocational rehabilitation benefits when they cannot return to their old job due to the effects of their injury, and they lack the training or skills for a different job to become employable. Vocational benefits are discretionary, and the Department of Labor and Industry (L&I) will notify the worker and the employer of benefit eligibility.

Legislation was enacted in 2007 that established a five year vocational training pilot program, known as the Vocational Improvement Project (VIP). Under the VIP, injured workers eligible for vocational benefits have 90 days to develop and submit a training plan to L&I, and employ-



ers have 15 days to offer the injured worker a job. Time-loss benefits and vocational plan development services will stop if the employer makes a valid job offer during the 15 day period. Vocational training benefit caps are increased under the VIP, and vocational plans are required to contain an accountability agreement detailing expectations and progress measures, among other requirements.

The VIP also established a vocational rehabilitation subcommittee to provide input and oversight of the program.

A final report on the VIP was submitted to the Legislature in December, 2012. The VIP will expire on June 30, 2013.

**Summary:** The sunset date for the vocational rehabilitation pilot project is extended three years to June 30, 2016.

**Votes on Final Passage:**

Senate	47	0
House	97	0

**Effective:** May 21, 2013

**2SSB 5367**

C 11 L 13 E 2

Concerning Yakima river basin water resource management.

By Senate Committee on Ways & Means (originally sponsored by Senators Honeyford, Hatfield, King, Nelson, Delvin and Shin; by request of Governor Inslee).

Senate Committee on Agriculture, Water & Rural Economic Development

Senate Committee on Ways & Means

**Background:** The Yakima River Basin Integrated Water Resource Management Plan (Integrated Plan) was developed by the United States Bureau of Reclamation (BOR) in collaboration with the Washington Department of Ecology (DOE) and other interested entities in the Yakima River basin. The Integrated Plan offers a proposed approach to improving water management in the Yakima River basin. The stated goals of the Integrated Plan are to protect, mitigate, and enhance fish and wildlife habitat; provide increased operational flexibility to manage instream flows to meet ecological objectives; and improve the reliability of the water supply for irrigation, municipal supply, and domestic uses.

According to the contents of the Integrated Plan, this approach includes seven elements: fish passage, structural and operational changes, surface water storage, ground-water storage, habitat protection and enhancement, enhanced water conservation, and market-based water reallocation. The Integrated Plan includes a list of proposed actions estimated to cost approximately \$4 billion to complete. If funded, these actions would be carried out over a period of up to 30 years.

The area affected by the Integrated Plan is limited to the Yakima River basin and includes much of Kittitas, Yakima, and Benton counties. This area includes a major portion of the Yakama Indian Reservation, several irrigation districts, and the main stem and multiple tributaries to the Yakima River.

**Summary:** Direction is given to DOE to develop water supply solutions consistent with the Integrated Plan that provide concurrent benefits to both in and out-of-stream uses. The goal of this effort is to enhance fish and wildlife resources, improve water viability and reliability, establish more efficient water markets, manage the variability of water supplies, and prepare for the uncertainties of climate change through operational and structural changes.

To accomplish these goals, DOE is specifically authorized to take certain steps. These include actions such as accepting related funds, developing projects consistent with the Integrated Plan designed to provide access to new water supplies within the Yakima River basin, entering into contracts that ensure the efficient delivery of water, and providing for the design of facilities necessary to implement the Integrated Plan. Water supplies secured through the development of new or expanded storage facilities developed under the Integrated Plan must be allocated for out-of-stream uses and to augment instream flows. Any yet-to-be appropriated water may only be used to augment instream flows to the extent that existing water rights are not impaired.

Nothing in the act is to alter or limit, impair, waive, or abrogate rights of the Yakama Nation, irrigation districts, or other entities when it comes to the waters in the Yakima River basin.

Three new accounts are created: the Yakima Integrated Plan Implementation Account (Implementation Account), the Yakima Integrated Plan Implementation Taxable Bond Account (Bond Account), and the Yakima Integrated Plan Implementation Revenue Recovery Account (Recovery Account). All three accounts are appropriated accounts that retain their own interest.

All three accounts may be used to assess, plan, and develop projects included in, or consistent with, the Integrated Plan. The accounts may only be used to fund new water storage facilities if DOE first evaluates the proposed water uses, the necessary quantity to meet those uses, the costs and benefits, and any available alternative means. The Implementation Account and the Bond Account are intended to fund projects using tax-exempt bonds. The Recovery Account is intended to fund projects using revenues from water service contracts.

For water supplies developed under the Integrated Plan to support future municipal and domestic water needs, DOE must give preference to other entities in managing water service contracts. DOE may enter into water service contracts directly if contracting with other entities is not feasible or suitable. These contracts must recover all

or a portion of the water development costs, with any revenues being dedicated to the Recovery Account.

DOE must provide a status report to the Legislature and the Governor once every biennium through the year 2045. These reports must be developed in consultation with the Yakama Nation, BOR, and stakeholders in the Yakima River basin.

DOE must prepare and periodically update a financing plan for the Yakima integrated plan in which at least half of the cost comes from non-state sources with a significant portion coming from local beneficiaries of the projects. For any component of the plan that costs more than \$100 million the Washington Water Resource Center must review the cost benefit analysis for the project.

Subject to appropriation, the Department of Natural Resources (DNR) is authorized to purchase land in the Yakima basin to be held in the community forest trust under RCW 79.155.040. DNR must develop a transitional plan for managing the land in cooperation with the Department of Fish and Wildlife and in consultation with local stakeholders. The plan must be consistent with the Yakima integrated plan principles. If by June 30, 2025 permits and financing is in place for construction of facilities that produce at least 214,000 acre-feet of water for out of stream and in-stream uses the land will remain in the community forest trust. If not, the Board of Natural Resource is authorized to place the land in the common school trust and manage it for the beneficiaries of that trust. The land is subject to the payment in lieu of taxes and is exempt from any compensating tax provisions.

#### **Votes on Final Passage:**

##### Second Special Session

Senate	48	0
House	80	2

**Effective:** September 28, 2013  
Contingent (Section 16)

## **SSB 5369**

C 274 L 13

Concerning the use of geothermal resources.

By Senate Committee on Energy, Environment & Telecommunications (originally sponsored by Senators Kline, King, Honeyford and Mullet).

Senate Committee on Energy, Environment & Telecommunications

House Committee on Environment

House Committee on Appropriations Subcommittee on General Government

**Background:** Definition. Washington defines geothermal resources, under the Geothermal Resources Act, as a resource capable of generating electricity commercially derived from the natural heat of the earth. Geothermal

resources are also considered sui generis, meaning that it is its own distinct entity, neither a mineral nor water right.

Regulatory Scheme. The Department of Natural Resources (DNR) is the agency responsible for administering and enforcing the provisions of the Geothermal Resources Act and governing state land leases. Developers must submit a written proposal to DNR before drilling, and DNR must hold a public hearing on the application in the county in which the drilling or re-drilling is proposed. Additionally, if the project is on state lands, a developer must secure a geothermal lease from DNR.

The Department of Ecology (DOE) is the lead agency in charge of administering the various rules and regulations governing water use and water quality in Washington State. All direct-use geothermal resources are considered to be ground water and are regulated as such. DOE is responsible for issuing water rights, well construction permits, and geothermal fluid disposal plans, among other things. Developers must also secure a water right permit from DOE unless exempt under the water code.

Water Right Permits. Unless a ground water withdrawal is exempt from the permit requirements under the Water Code, a geothermal project cannot be drilled without the well owner first obtaining a water right permit. There are four types of groundwater uses exempt from the state water-right permitting requirements:

- providing water for livestock;
- watering a non-commercial lawn or garden one-half acre in size or less;
- providing water for a single home or groups of homes in an amount not exceeding 5,000 gallons per day; or
- providing water for industrial purposes, including irrigation, in an amount not exceeding 5,000 gallons per day.

If a project does not meet one of these categorical exemptions, DOE will issue water right permits only if the proposed use meets the following requirements: water will be put to beneficial use; there will be no impairment to existing or senior rights; water is available for appropriation; and the issuance of the water right will not harm the public's welfare.

Geothermal Energy Account. The state received revenue under the Mineral Lands Leasing Act of 1920 and the Geothermal Steam Act of 1970 until June 2011 when the geothermal energy account was eliminated.

**Summary:** Definitions. The definition of geothermal resources no longer requires commercial viability. It is amended to include the natural heat of the earth, the energy below the surface of the earth, and all minerals obtained from fluids, brines, gases, and steam found below the surface of the earth, excluding helium and oil, and including the following:

- well products of geothermal processes, including indigenous steam, hot water, and hot brines;

- steam and other bases, hot water and hot brines resulting from water, gas, or other fluids artificially introduced into geothermal formations; and
- heat or other associated energy found in geothermal formations any by-product derived from them.

Geothermal resources do not include heat energy used in ground source heat exchange systems for ground source heat pumps. By-products are defined as any minerals, except hydrocarbon gas, helium, or oil found in association with geothermal streams that do not warrant extraction and production based on their own economic value.

Geothermal Resources may be Conveyed. Geothermal resources remain sui generis. Geothermal resources may be reserved or conveyed to another person or entity.

Authorization Under the Water Code for Consumptive and Non-consumptive Uses of Water Brought to the Surface is Amended. Authorization under the Water Code is needed for consumptive and non-consumptive uses including but not limited to power production. Authorization is not needed in the following circumstances:

- water that is returned to or re-injected into the same aquifer or reservoir;
- water that is used during a temporary failure of a geothermal system; or
- water that is used during a test of a geothermal well.

DOE Given Additional Duties. DNR and DOE must avoid duplication and promote efficiency when issuing permits and other approvals for these uses.

Existing Water Rights Not Impaired. The Act must neither affect nor operate to impair any existing water rights.

Geothermal Energy Account Restored, Directions Given for the Distribution of Funds. The geothermal energy account is created to provide for the allocation of revenues distributed to the state under the Mineral Lands Leasing Act of 1920 and the Geothermal Steam Act of 1970. Funds from this account must be distributed 70 percent to DNR for geothermal exploration, and 30 percent to Washington State University for encouraging development of geothermal resources.

The State Treasurer is responsible for the distribution of funds to the county of origin.

**Votes on Final Passage:**

Senate	46	3	
House	95	0	(House amended)
Senate	47	1	(Senate concurred)

**Effective:** July 28, 2013

Concerning limitations on visitation or contact with children in foster care.

By Senate Committee on Ways & Means (originally sponsored by Senators Billig, Fain, Hargrove, Litzow, Murray, Tom, Kohl-Welles, Rolfes, Harper and Chase).

Senate Committee on Human Services & Corrections  
Senate Committee on Ways & Means  
House Committee on Early Learning & Human Services

**Background:** In 2002, the Legislature required the Department of Social and Health Services (DSHS) to complete an assessment of a foster child's relationship and emotional bond with any siblings. DSHS was required to develop a plan to ensure ongoing contact with the child's siblings, if appropriate. A statutory preference was established, encouraging children to be placed in homes that would be able to facilitate sibling visits, and courts were required to consider the issue of sibling visits during dependency hearings.

In 2003, the Legislature established that it is in the child's best interest to maintain sibling relationships when that child is removed from the home. Courts were given the authority to order placement, contact, and visitation with a step-sibling as appropriate. It was further required that parental termination orders include information about the status of sibling relationships and the nature and extent of sibling placements, contact, or visits. Supervising agencies were also required to take reasonable steps to ensure that siblings maintain relationships.

**Summary:** DSHS or another supervising agency must attempt the maximum child and sibling interaction possible. DSHS, the court, or the caregiver in the out-of-home placement may not limit contact or visitation as a sanction for a child's behavior or as an incentive to the child to change the child's behavior. Any exceptions, limitations, or denial of contacts or visitation must be approved by the supervisor of the caseworker and documented. The child, parent, DSHS, guardian ad litem, or court-appointed special advocate may challenge the denial of visits in court.

**Votes on Final Passage:**

Senate	49	0	
House	95	2	(House amended)
Senate	48	0	(Senate concurred)

**Effective:** July 28, 2013

## SSB 5396

C 234 L 13

Concerning limited on-premise spirits sampling.

By Senate Committee on Commerce & Labor (originally sponsored by Senators Hewitt, Holmquist Newbry, Conway, Kohl-Welles, Hatfield, Hobbs, Schoesler, Delvin and Kline).

Senate Committee on Commerce & Labor  
House Committee on Government Accountability & Oversight

**Background:** Sampling of spirits, beer, and wine by retail customers is permitted in limited circumstances. Beer and wine specialty shops may serve samples of two ounces or less to a customer. Certain grocery stores may conduct tastings with an endorsement issued by the Liquor Control Board (LCB). Breweries and wineries may also serve samples. A craft distillery may provide one-half ounce or less samples of spirits, up to a total of two ounces per day to a customer, on its premises. With the enactment of ESHB 1202 in 2011, LCB was directed to establish a pilot project for spirits sampling in state and contract liquor stores. However, in December 2011 liquor sales became privatized and LCB began the process of closing all state-operated liquor stores.

Responsible vendor program participants must at a minimum: provide ongoing training to employees; accept only certain forms of identification for alcohol sales; adopt policies on alcohol sales and checking identification; post specific signs in the business; and keep records verifying compliance with the program's requirements. Licensees who maintain all of the program's requirements are not subject to doubling of the penalties for a single violation in any period of 12 calendar months. A class 12 alcohol server permit for managers or bartenders requires completion of a course certified by LCB. Curriculum includes subjects such as: the physiological effects of alcohol; liability and legal information; driving while intoxicated; effective intervention; methods for checking proper identification; and Washington laws.

**Summary:** Spirits retail license holders who participate in the responsible vendor program may provide samples of spirits. Servers must hold a class 12 alcohol server permit. Samples may be one-half ounce or less. No one may be served more than a total of one and one half ounces of spirits. Sampling must be conducted in accordance with rules established for sampling activities in beer and wine specialty shops and grocery stores.

**Votes on Final Passage:**

Senate	35	14
House	78	19

**Effective:** July 28, 2013

## SSB 5399

C 275 L 13

Addressing the timing of penalties under the growth management act.

By Senate Committee on Governmental Operations (originally sponsored by Senators Dammeier, Becker, Conway, Fraser, Rivers and Nelson).

Senate Committee on Governmental Operations  
House Committee on Local Government

**Background:** The Growth Management Act (GMA) is the comprehensive land use planning framework for county and city governments in Washington. Enacted in 1990 and 1991, GMA establishes numerous planning requirements for counties and cities obligated by mandate or choice to fully plan under GMA. It also establishes a reduced number of directives for all other counties and cities. GMA directs jurisdictions that fully plan under the act (planning jurisdictions) to adopt internally consistent comprehensive land use plans, which are generalized, coordinated land use policy statements of the governing body. Comprehensive plans, which are the frameworks of county and city planning actions, are implemented through locally-adopted development regulations.

GMA establishes the Growth Management Hearings Board (GMHB). GMHB is comprised of three panels for the purposes of hearing and deciding cases within the following regions: central Puget Sound; eastern Washington; and western Washington. GMHB consists of seven members who are appointed for six-year terms, with at least two each residing in the geographic regions of the panels. Each regional panel selected to hear and decide cases must consist of three board members, at least a majority of whom must reside within the region. GMHBs have limited jurisdiction and may only hear and determine petitions alleging the following:

- that a state agency or planning jurisdiction is non-compliant with GMA, specific provisions of the Shoreline Management Act, or certain mandates of the State Environmental Policy Act relating to qualifying plans, regulations, or amendments;
- that the 20-year planning population projections adopted by the Office of Financial Management should be adjusted;
- that the approval of a watershed work plan is not in compliance with the requirements of the voluntary stewardship program;
- that development regulations to protect critical areas as part of the voluntary stewardship program are not regionally applicable and cannot be adopted, wholly or partially, by another jurisdiction; or
- that the Department of Commerce's certification of development regulations as part of the voluntary stewardship program is erroneous.

GMHB may find compliance or remand for plans or regulations to be brought into compliance. If the agency or local government is found to be not in compliance, GMHB must generally remand the matter to the agency or local government for 180 days, within which it must comply with applicable requirements. Following a hearing to determine whether the agency or local government has satisfied the requirements of the remand, GMHB may find that the agency, county, or city is in compliance or that it remains not in compliance. GMHB may also invalidate plans or regulations that substantially interfere with the goals and requirements of GMA. Final decisions and orders of GMHB may be appealed to the superior court. Additionally, if all parties agree, the superior court may directly review a petition filed with GMHB. Upon receipt of GMHB's finding that a state agency or planning jurisdiction remains noncompliant after a period of remand, the Governor may impose financial penalties in the form of reducing or withholding appropriations or revenues to which the agency or local government is otherwise entitled.

Compliance with requirements of GMA is a criterion state agencies consider when making determinations for financial awards to local governments. For example, when state agencies are considering awarding grants or loans to planning jurisdictions for financing public facilities, they must consider whether the local government has adopted a comprehensive plan and development regulations mandated by GMA. For purposes of these public facility grants and loans, and associated preferences, a local government is deemed to have satisfied its adoption requirements if it meets one of several conditions, including if the local government adopts or has adopted a comprehensive plan and development regulations before submitting a request for a grant or loan.

With limited exceptions, for planning jurisdictions to qualify for loans or pledges from the Public Works Assistance Account (Account), the planning jurisdiction must have adopted a comprehensive plan and required development regulations. The Account, commonly known as the Public Works Trust Fund, was created by the Legislature in 1985 to provide a source of loan funds to assist local governments and special purpose districts with infrastructure projects. In certain circumstances, local governments could have requested and received a loan or loan guarantee from the Account before adopting a required comprehensive plan or development regulations.

Similarly, for planning jurisdictions to qualify for a Department of Ecology (DOE) grant or loan for a water pollution control facility, the planning jurisdiction must generally have adopted a comprehensive plan and development regulations. In limited time-specific circumstances, local governments could have requested and received a water pollution control facility grant or loan before adopting a required comprehensive plan or development regulations.

**Summary:** Unless GMHB makes a determination of invalidity, state agencies, commissions, and governing boards may not penalize jurisdictions during the period of remand following a finding of noncompliance by GMHB and the pendency of an appeal before GMHB or subsequent judicial appeals. To not be penalized, jurisdictions must:

- have delayed the effective date of the action subject to the petition until after GMHB issues a final determination; or
- within 30 days of receiving notice of a petition for review by GMHB, delay or suspend the effective date of the action until after GMHB issues a final determination.

If a comprehensive plan, development regulation, or an amendment is appealed to GMHB and has not yet taken effect, the local jurisdiction may not be deemed ineligible, or otherwise penalized, in the award of a state agency grant or loan during the pendency of the appeal before GMHB or during any subsequent judicial appeals. During these appeals, state agencies must accept an otherwise eligible application for a state grant or loan. To not be penalized, jurisdictions must:

- have delayed the effective date of the action subject to the petition until after GMHB issues a final determination; or
- within 30 days of receiving notice of a petition for review by GMHB, delay or suspend the effective date of the action until after GMHB issues a final determination.

Whenever a state agency is considering awarding grants or loans for public facilities to a special district requesting funding for a proposed facility located in a planning jurisdiction, the agency must apply these provisions.

For purposes of public facility loans or grants awarded by state agencies, and associated preferences for local governments that adopt required comprehensive plans and development regulations, a local government is deemed to have satisfied its adoption requirements if the local government adopts or adopted a comprehensive plan and development regulations before the state agency makes a decision regarding award recipients of loans or grants.

A planning jurisdiction that adopts a comprehensive plan and development regulations may request financial assistance for public works projects. Planning jurisdictions are not required to adopt a comprehensive plan or development regulations before requesting financial assistance from the Account. Additionally, a planning jurisdiction that has not adopted a comprehensive plan and development regulations within specified time periods is not prohibited from applying for or receiving financial assistance from the Account if the comprehensive plan and development regulations are adopted before executing a contractual agreement for financial assistance.

A planning jurisdiction that adopts a comprehensive plan and development regulations may request a grant or loan for water pollution control facilities. A planning jurisdiction that has not adopted a comprehensive plan and development regulations within specified time periods is not prohibited from receiving a grant or loan for water pollution control facilities if the comprehensive plan and development regulations are adopted before DOE disburses funds for the grant or loan.

**Votes on Final Passage:**

Senate	49	0	
House	78	19	(House amended)
Senate	35	13	(Senate concurred)

**Effective:** July 28, 2013

## SSB 5400

C 61 L 13

Allowing utilities serving customers in Washington and in other states to use eligible renewable resources in their other states to comply with chapter 19.285 RCW, the energy independence act.

By Senate Committee on Energy, Environment & Telecommunications (originally sponsored by Senators Honeyford, Ericksen and Hewitt).

Senate Committee on Energy, Environment & Telecommunications

House Committee on Environment

**Background:** Approved by voters in 2006, the Energy Independence Act, also known as Initiative 937 (I-937), requires electric utilities with 25,000 or more customers to meet targets for energy conservation and for using eligible renewable resources. Utilities that must comply with I-937 are called qualifying utilities.

**Eligible Renewable Resource Targets and Compliance Dates.** Each qualifying utility must use eligible renewable resources or acquire equivalent renewable energy credits, or a combination of both, to meet the following annual targets:

- at least 3 percent of its load by January 1, 2012, and each year thereafter through December 31, 2015;
- at least 9 percent of its load by January 1, 2016, and each year thereafter through December 31, 2019; and
- at least 15 percent of its load by January 1, 2020, and each year thereafter.

**Eligible Renewable Resource.** The term eligible renewable resource means electricity generated from a resource such as wind, solar, geothermal energy, landfill and sewage gas, wave and tidal power, and certain biodiesel fuels. In addition, an eligible renewable resource must be generated in a facility that started operating after March 31, 1999, and the facility must either be located in the Pacific Northwest or the electricity from the facility must be delivered into the state on a real-time basis.

**Incremental Hydroelectricity as an Eligible Renewable Resource.** Incremental electricity produced as a result of efficiency improvements to the following hydroelectric generation facilities may also count as an eligible renewable resource if the improvements do not result in new water diversions or impoundments, and the improvements are completed after March 31, 1999:

- hydroelectric generation projects owned by a qualifying utility and located in the Pacific Northwest; and
- hydroelectric generation in irrigation pipes and canals located in the Pacific Northwest.

**Renewable Energy Credit (REC).** A REC is a tradable certificate of proof of at least one megawatt hour of an eligible renewable resource where the generation facility is not powered by fresh water. Under I-937, a REC represents all the nonpower attributes associated with the power. RECs can be bought and sold in the marketplace, and they may be used during the year they are acquired, the previous year, or the subsequent year.

**Western Electricity Coordinating Council (WECC).** WECC is a regional electric reliability council that coordinates and ensures the reliability of the Western Interconnection Bulk Power System. Its membership includes transmission operators, utilities, utility customers, and state and provincial regulators. The WECC territory covers the provinces of Alberta and British Columbia, the northern portion of Baja California, Mexico, and all or portions of the 14 western states.

**Summary: Expanding the Geographic Boundary for Eligible Renewable Resources.** For a qualifying utility that serves customers in other states, the following is classified as an eligible renewable resource: electricity from a generation facility powered by a renewable resource other than freshwater that commences operation after March 31, 1999, where the facility is located within a state in which the qualifying utility serves retail electrical customers, and the qualifying utility owns the facility in whole or in part or has a long-term contract with the facility of at least 12 months or more.

**Votes on Final Passage:**

Senate	25	23
House	92	1

**Effective:** July 28, 2013

E2SSB 5405

C 332 L 13

Concerning extended foster care services.

By Senate Committee on Ways & Means (originally sponsored by Senators Murray, Tom, Kohl-Welles, Darneille, Hobbs, Harper and Frockt).

Senate Committee on Human Services & Corrections  
Senate Committee on Ways & Means  
House Committee on Early Learning & Human Services  
House Committee on Appropriations

**Background:** In October 2008, Congress passed the Fostering Connections to Success and Increasing Adoptions Act of 2008. One of the key provisions of the legislation allowed states to use foster care funds to provide extended foster care services to youth between the ages of 18 and 21 who engaged in certain qualifying activities.

In 2011, the Legislature established extended foster care services, which are defined as residential and other support services that the Department of Social and Health Services (DSHS) is authorized to provide to foster children who have an open dependency case when they turn age 18. A youth was eligible for extended foster care services until age 21 only while participating in a secondary education program or a secondary education equivalency program. In 2012, the Legislature expanded the eligibility to include youth who were enrolled, or had applied for and demonstrated intent to enroll, in a postsecondary academic or postsecondary vocational program.

When a youth in foster care who has an open dependency case reaches age 18, the youth's parent or guardian is dismissed from the dependency proceeding. After the parent or guardian's dismissal, the dependency court must postpone for six months the dismissal of the dependency case in its entirety if the youth is enrolled in a secondary or postsecondary education program or a secondary or postsecondary education equivalency program. This six-month postponement allows the youth time to request extended foster care services after turning 18. At the end of the six-month period, if the youth has not requested extended foster care services, the court must dismiss the dependency. The court may also dismiss the dependency if, during the six-month period, the youth is no longer eligible for extended foster care services. DSHS is relieved of any supervisory duties over a youth who is age 18 but has not requested extended foster care services. While a youth receives extended foster care services, the youth is under the care and placement authority of DSHS.

**Summary:** Youth who have an open dependency proceeding upon turning age 18 are eligible for extended foster care services if they are participating in a program or activity designed to promote or remove barriers to employment. This category is in addition to existing eligibility categories that allow youth to receive services when participating in a secondary or postsecondary academic or vocational program.

Extended foster care services may include the following: (1) placement in licensed, relative, or otherwise approved care; (2) supervised independent living settings; (3) assistance in meeting basic needs; (4) independent living services; (5) medical assistance; and (6) counseling or treatment. DSHS must approve a youth's supervised independent living setting. Liability is limited by stating that providing extended foster care services does not create a legal responsibility for the actions of youth receiving extended foster care services.

When the youth is at least 17 years of age but not older than 17 years and six months, DSHS must provide the youth with written documentation explaining the availability of extended foster care services and detailing instructions about how to access those services after they reach age 18.

The court must dismiss dependency cases of foster care youth who turn 18 years old if they are not participating in a secondary or postsecondary program, or are not in a program that promotes or removes barriers to employment. Youth whose dependency cases were dismissed at age 18 or after may request extended foster care services through a Voluntary Placement Agreement (VPA) if they request services before turning 19 years old. A youth may enter into a VPA only once, but may transition among eligibility categories as long as the youth remains eligible during the transition.

If DSHS denies the youth's request to enter into a VPA, the youth may petition the court for an order of dependency and must be provided the assistance of counsel at no cost to the youth.

The Caseload Forecast Council must count youth receiving extended foster care services separately from other children under age 18 who are in foster care. Youth receiving extended foster care services must not be included in the foster care caseload for children under age 18, the per-capita expenditures used to determine savings to be transferred to the Child and Family Reinvestment Account, or in determining savings under the demonstration waiver.

No later than September 1, 2013, DSHS must develop recommendations regarding the needs of dependent youth in juvenile rehabilitation administration institutions and report those recommendations to the Governor and appropriate legislative committees.

**Votes on Final Passage:**

Senate	48	0	
House	80	16	(House amended)
Senate	47	0	(Senate concurred)

**Effective:** July 28, 2013  
December 1, 2013 (Sections 8 and 10)

**SB 5411**  
C 160 L 13

Requiring the ballot proposition to reduce the terms of office of port commissioners to be submitted at the next general election.

By Senators Rolfes, Holmquist Newbry, Hatfield, Honeyford and Conway.

Senate Committee on Governmental Operations  
House Committee on Government Operations & Elections

**Background:** In 1911, the Legislature authorized the Port District Act allowing citizens to create port districts. Today, there are 75 port districts in Washington.

Port districts are authorized for the purpose of acquisition, construction, maintenance, operation, development, and regulation of harbor improvements, rail or motor vehicle transfer and terminal facilities, water and air transfer and terminal facilities, or any combination of these facilities. Port districts may:

- acquire land, property, leases, and easements;
- condemn property and exercise the power of eminent domain;
- develop lands for industrial and commercial purposes;
- impose taxes, rates, and charges;
- sell or otherwise convey rights to property; and
- construct and maintain specified types of park and recreation facilities.

Port districts are governed by a board of commissioners consisting of either three or five members in accordance with specified statutory criteria. Port commissioners are nominated either by a commissioner district or, under certain circumstances, at-large. In all districts, port commissioners are elected at-large. Subject to voter approval, a port district with five commissioners may be authorized to have two commissioners who are both nominated and elected at-large.

The voters in a port district may reduce the terms of office of port commissioners from six years to four years in a ballot proposition. The proposition may be introduced by a resolution of the port commissioners or by a petition signed by voters in the port district totaling at least 10 percent of the voters in the port district who voted in the previous general election. The ballot proposition is submitted at the next general or special election occurring 60 or more days after the commissioners adopt the resolution or voters submit the petition. If approved, any commissioners elected during that election and subsequent elections serve four-year terms of office, but the terms of office of sitting commissioners will not be reduced.

**Summary:** Ballot propositions to reduce the term of office of port commissioners may no longer be submitted for a vote at a special election.

**Votes on Final Passage:**

Senate	48	0
House	96	0

**Effective:** July 28, 2013

**SSB 5416**  
C 276 L 13

Concerning prescription information.

By Senate Committee on Health Care (originally sponsored by Senators Bailey, Schlicher, Becker and Keiser; by request of Department of Health).

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

**Background:** State law permits original prescriptions or prescription refills for legend drugs to be electronically communicated between the authorized practitioner and a pharmacy. Electronic communication is defined as communication by computer, facsimile, or other electronic means. These transmissions must comply with various requirements, including laws governing the form, content, recordkeeping, and processing of prescriptions. The system used for transmitting must be approved by the Board of Pharmacy (Board), unless the system uses facsimile equipment that transmits an exact visual image of the prescription.

Since 1998, a similar state law has also allowed electronic communication of prescriptions for Schedule III through V controlled substances. Under that law, prescriptions for Schedule II controlled substances may be transmitted only by written prescription or, for a patient in a long-term care facility or hospice, by facsimile transmission. In an emergency, a Schedule II controlled substance may be dispensed on an oral prescription. That provision also prohibits refills of Schedule II controlled substance prescriptions.

Until 2010, federal law did not permit electronic communication of prescriptions for controlled substances. Under federal rules adopted in 2010, electronic communication of prescriptions is allowed for Schedule II through V controlled substances. The rules specify the requirements that must be met for an electronic prescription or health record system to be approved for this use by the practitioner.

**Summary:** The authority for dispensing Schedule II controlled substances is expanded to permit a pharmacy to dispense them pursuant to an electronically communicated prescription. In addition to meeting Board standards, any system for transmitting electronically communicated prescription information related to controlled substances must comply with federal rules for electronically communicated prescriptions for controlled substances. It is specified that Schedule V controlled substances may not be dispensed without a prescription.



Prescriptions for Schedule II controlled substances may not be filled more than six months after the date that the prescription was issued, and it is clarified that the same limitation exists for Schedule III through V controlled substances. Schedule III through V controlled substances may not be refilled more than five times.

The definition of electronic communication of prescription information, as it pertains to both legend drugs and controlled substances, is modified to relate to the transmission of a prescription or refill authorization using computer systems. The term excludes prescription or refill authorization transmitted verbally by phone or facsimile transmissions.

**Votes on Final Passage:**

Senate	48	1
House	96	0

**Effective:** July 28, 2013

**SB 5417**  
C 333 L 13

Concerning the annexation of unincorporated territory within a code city.

By Senators Mullet, Fain, Hasegawa and Roach.

Senate Committee on Governmental Operations  
House Committee on Local Government

**Background:** The Annexation of Unincorporated Islands method of annexation is available to cities within counties that were planning under the Growth Management Act (GMA) on or before June 30, 1994. This method is only applicable to areas that contain residential property owners and are:

- less than 100 acres in size where at least 80 percent of the area’s boundaries are contiguous with the city or town; or
- of any size where at least 80 percent of the area's boundaries are contiguous with the city or town, the area existed as unincorporated territory before June 30, 1994, and the city was planning under the GMA as of June 30, 1995.

This annexation method is initiated by city council resolution. A public hearing is held to determine whether to proceed with the proposed annexation. If approved, the city passes an ordinance to annex; however, the proposed annexation is subject to resident referendum.

**Summary:** The Annexation of Unincorporated Island method of annexation for code cities is only applicable to areas:

- less than 175 acres in size where all of the area’s boundaries are contiguous with the city or town; or
- of any size where at least 80 percent of the area's boundaries are contiguous with the city or town and the city is planning under the GMA.

The requirement that the area to be annexed must contain residential property owners is deleted.

**Votes on Final Passage:**

Senate	27	22	
House	87	6	(House amended)
Senate	34	14	(Senate concurred)

**Effective:** July 28, 2013

**SSB 5434**  
C 277 L 13

Addressing the filing and public disclosure of health care provider compensation.

By Senate Committee on Health Care (originally sponsored by Senators Becker, Dammeier, Keiser, Harper and Conway).

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

**Background:** The federal Affordable Care Act (ACA) established a number of new requirements for health insurance. Many requirements become effective for coverage offered on or after January 1, 2014. Among the requirements for the non-grandfathered individual and small-group markets are rating standards, enhanced rate review, standardized data submissions, and guaranteed availability. States with effective rate review programs will review the detailed information, and the Centers for Medicare and Medicaid Services will review the information for states that do not have an effective rate review program.

Allowed rating factors include individual or family coverage, geographic rating area, age with a three to one variation for adults, and tobacco use with variation of one and one-half to one. The premiums for any plan may only vary from the rating index by actuarial value and cost-sharing of the plan, the plan's provider network and delivery system characteristics, and utilization management practices. Verification of the rating factors requires extensive rating detail to be submitted to the Office of the Insurance Commissioner (OIC).

**Summary:** Health insurance carriers must file all provider contracts and provider compensation agreements with OIC 30 calendar days before use. When a carrier and provider negotiate an agreement that deviates from a filed agreement, the specific contract must be filed 30 days prior to use. Any provider compensation agreements not affirmatively disapproved by OIC are deemed approved, except OIC may extend the approval date an additional 15 days with notice before the initial 30-day period expires. Changes to the previously filed agreements that modify the compensation or related terms must be filed and are deemed approved upon filing if no other changes are made to the previously approved agreement.

OIC may not base a disapproval of the agreement on the amount of the compensation or other financial arrange-

ments between the carrier and provider, unless the compensation amount causes the underlying health benefit plan to be in violation of state or federal law. OIC is not granted authority to regulate provider reimbursement amounts. OIC may withdraw approval of a provider contract or compensation agreement at any time for cause.

Provider compensation agreements are confidential and not subject to public inspection or public disclosure if they are filed following the procedures for submitting confidential filings in the electronic rate and form filings. The information is protected from disclosure in the Public Records Act. If the filing instructions are not followed and the carrier indicates that the compensation agreement will be withheld from public inspection, OIC must reject the filing and notify the carrier to amend the filing in order to comply with the confidentiality instructions. If a provider contract is disapproved or withdrawn from use by OIC, the insurance carrier has a right to demand and receive a hearing.

The act expires July 1, 2017.

**Votes on Final Passage:**

Senate	47	0	
House	96	0	(House amended)
Senate	47	0	(Senate concurred)

**Effective:** July 28, 2013

## SSB 5437

C 278 L 13

Regarding boating safety.

By Senate Committee on Law & Justice (originally sponsored by Senators Padden, Hargrove, Roach, Kline, Sheldon, Pearson and Chase).

Senate Committee on Law & Justice

House Committee on Public Safety

House Committee on Appropriations Subcommittee on General Government

**Background:** Operating a vessel in a reckless manner or while under the influence of intoxicating liquor or any drug are misdemeanors. A person is considered to be under the influence of intoxicating liquor or any drug if the person has 0.08 grams or more of alcohol per 210 liters of breath, as shown by analysis of the person's breath or the person has 0.08 percent or more by weight of alcohol in the person's blood, as shown by analysis of the person's blood.

Any police officer having probable cause to believe that a person is operating a vessel in a reckless manner or while under the influence of intoxicating liquor or any drug has the authority to arrest the person. An arresting officer must administer field sobriety tests when circumstances permit. The fact that any person is or has been entitled to use a drug under the laws of this state does not constitute a defense. A person cited may upon request be

given a breath test or may request to have a blood sample taken for analysis.

Any person who provides a motor vessel for rent in Washington must require that the person who rents the motor vessel and all operators of the rental motor vessel, who are required to have the commission-issued boater education card, show proof of possession of the card before renting the person a motor vessel. Alternatively, when the person who rents the motor vessel and all operators of the rented motor vessel do not possess a commission-issued boater education card, the rental agent must ensure that the person who rents the motor vessel and all operators of the craft review, initial, and sign the motor vessel safety operating and equipment checklist in the presence of the rental agent before they may operate the rental motor vessel; and retain the issued copy of the motor vessel safety operating and equipment checklist on board when operating the motor vessel.

**Summary:** It is a gross misdemeanor to operate a vessel under the influence of alcohol or marijuana. A person is considered under the influence if, within two hours of operating a vessel the person has a blood-alcohol concentration of 0.08 percent or a THC concentration of 5.00 nanograms per milliliter or higher; the person is under the influence of or affected by intoxicating liquor, marijuana, or any drug; or the person is under the combined influence of or affected by intoxicating liquor, marijuana, and any drug.

Any person who operates a vessel is deemed to have given consent to a test of the person's breath or blood to determine the alcohol concentration, THC concentration, or presence of any drug in the person's breath or blood when arrested for any offense, if the arresting officer has reasonable grounds to believe the person was operating a vessel while under the influence of alcohol, marijuana, or any drug. The officer must warn persons that if they refuse to take the test, they will be issued a class 1 civil infraction with a maximum penalty and default amount of \$1,000. The refusal is not admissible into evidence at any subsequent criminal proceeding.

A police officer may obtain a search warrant for a person's breath or blood. A blood test must be administered if the officer has reasonable grounds to believe that the person is under the influence of a drug, or if the person is incapable of providing a breath sample due to physical injury, physical incapacity, or other physical limitation, or if the person is being treated in a hospital, clinic, doctor's office, emergency medical vehicle, ambulance, or other similar facility.

A law enforcement officer investigating the scene of a motor vessel accident may arrest the operator of the involved motor vessel if there is probable cause to believe that the operator has committed a criminal violation, in connection with the accident, a boating safety law violation. A law enforcement officer investigating the scene of a motor vessel accident may issue a citation to the operator

of the involved motor vessel if there is probable cause to believe that the operator has committed an infraction, in connection with the accident, a boating safety law violation. If a vessel does not contain the required safety equipment, the owner or the operator, or both, may be cited for an infraction or charged with an appropriate crime.

No person, other than fishing guides, charter boat operators, or paid whitewater river outfitters or guides, who has vessels for hire may rent, lease, charter, or permit the use of a vessel, unless the person:

- displays the vessel registration numbers and a valid decal on the vessel hull;
- keeps a copy of the vessel registration certificate aboard the vessel;
- displays a carbon monoxide decal on the vessel, if the vessel is motor-driven and is not a personal watercraft;
- provides a copy of the rental agreement to be kept aboard during the rental, lease, charter, or use period for vessels required to be registered;
- ensures that the vessel, if motor-propelled, meets the muffler or underwater exhaust system requirement;
- outfits the vessel with the quantity and type of personal flotation devices required for the number and ages of the people who will use the vessel;
- explains the personal flotation device requirements to the person renting, leasing, chartering, or otherwise using the vessel;
- equips the vessel with a skier-down flag, and explains observer and personal flotation requirements, if the persons renting, leasing, chartering, or using the vessel will be waterskiing;
- if the vessel is a personal watercraft, provides a personal flotation device and a lanyard attached to an engine cutoff switch for the operator to wear at all times when operating the personal watercraft;
- reviews with the person operating the vessel, and all other persons who the operator may permit to operate the vessel, all the information contained in the motor vessel safety operating and equipment checklist prescribed by the Washington State Parks and Recreation Commission (State Parks); and
- provides all other required safety equipment.

A violation is a civil infraction unless the current violation is the person's third violation of the same provision during the past 365 days, in which case it is a misdemeanor.

**Votes on Final Passage:**

Senate	47	0	
House	84	13	(House amended)
Senate	46	2	(Senate concurred)

**Effective:** July 28, 2013

Concerning the administration of taxes regarding publicly owned property.

By Senate Committee on Governmental Operations (originally sponsored by Senators Hasegawa, Nelson, Kohl-Welles, Hobbs, Chase, Keiser and Kline).

Senate Committee on Governmental Operations  
 Senate Committee on Ways & Means  
 House Committee on Local Government  
 House Committee on Finance

**Background:** County assessors must determine the value of property subject to property tax. While publicly owned property is not subject to property tax, it may be subject to leasehold excise tax if it is privately leased. Leasehold excise tax is based on property value. The Department of Revenue or a lessee may request an assessor to determine the value of publicly owned property to calculate applicable leasehold excise tax.

In calculating leasehold excise tax, credits are allowed for:

- certain leasehold interests for the amount, if any, that the tax exceeds the property tax applicable if the property were privately owned;
- lessees who would qualify for a property tax exemption if the property were privately owned, for a percentage equal to the reduction that would result from the exemption; and
- leases of property used in production of agricultural or marine products, for 33 percent of the tax otherwise due.

**Summary:** The requirement for assessors to determine the value of publicly owned property not subject to property tax is eliminated. However, when the exempt status no longer applies as a result of a sale or change in use, an assessor must value and list the property.

A leasehold excise tax credit is eliminated for certain leasehold interests for the amount, if any, that the tax exceeds the property tax applicable if the property were privately owned.

**Votes on Final Passage:**

Senate	47	2
House	91	6

**Effective:** July 28, 2013

## SB 5446

C 50 L 13

Providing a process for the state auditor's office to apply for investigative subpoenas.

By Senators Hobbs, Schoesler, Hatfield and Tom; by request of State Auditor.

Senate Committee on Law & Justice  
House Committee on Judiciary

**Background:** Article I, section 7 of the Washington State Constitution provides that, no person be disturbed in private affairs, or have the person's home invaded, without authority of law.

The state auditor's office is authorized to issue subpoenas and compulsory process, compel the attendance of witnesses, and compel the production of books and papers before them at any designated time and place, and may also administer oaths.

If a person is summoned to appear and give testimony and that person either fails to appear or refuses to provide the requested information, the person requesting the information must apply to a superior court judge to issue a subpoena for the person to appear and give testimony. If the person fails to appear before the court or provide the requested information, the court may then hold that person in contempt.

**Summary:** The state auditor or authorized assistants 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; the county where the subpoenaed records or documents are located; or in Thurston county.

The application must:

- state that an order is sought;
- adequately specify the records, documents, or testimony; and
- declare under oath that an investigation is being conducted for a lawfully authorized purpose related to an investigation within the state auditor's authority and that the subpoenaed documents or testimony are reasonably related to an investigation within the state auditor's authority.

When the application is satisfactory to the court, the court must issue an order approving the subpoena.

The auditor may seek and the court may issue an order approving a subpoena without prior notice to any person.

**Votes on Final Passage:**

Senate	49	0
House	93	0

**Effective:** July 28, 2013

## ESSB 5449

C 279 L 13

Addressing the Washington state health insurance pool.

By Senate Committee on Health Care (originally sponsored by Senators Parlette, Keiser, Becker, Bailey, Dammeier, Frockt, Ericksen and Schlicher).

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

**Background:** The Washington State Health Insurance Pool (WSHIP) is the state's high-risk pool. Currently, individuals must complete a health screening questionnaire to purchase individual health insurance and may be rejected and referred to the high-risk pool. Effective January 1, 2014, the federal Affordable Care Act (ACA) requires individual insurance plans to be available without a health screen, with no pre-existing condition exclusions.

In anticipation of the insurance changes coming in 2014, the 2012 Legislature directed WSHIP to complete a study to assess the populations that may need ongoing access to coverage through the pool and may be excluded from other coverage options. The WSHIP Board was asked to submit recommendations for eligibility modifications, changes to the standard health questionnaire or other eligibility screening tool, and on whether the assessments that fund the program should be adjusted to make the assessment fair and equitable among all payers.

The WSHIP report was submitted to the Legislature in November 2012. The Board found that the majority of persons currently covered by WSHIP will be eligible for comprehensive coverage through the commercial market or the ACA-mandated Health Benefit Exchange, and others may be eligible for coverage through the Medicaid Expansion. However, several populations were identified that may need ongoing access to WSHIP, and the Board submitted recommendations for program changes that reflect the expected need.

**Summary:** The requirement for WSHIP to maintain and update the standard health questionnaire is removed, and all references to use of the questionnaire are removed. Eligibility for WSHIP is modified. Applications for new enrollees will be accepted through December 31, 2017, for any resident not eligible for Medicare or Medicaid coverage residing in a county where there is not access to a comprehensive individual plan either through the Health Benefit Exchange or the private insurance market during a defined open enrollment or special enrollment period. Non-Medicare individuals enrolled in the pool prior to December 31, 2013, remain eligible for the pool coverage through December 31, 2017. The pool coverage for all Non-Medicare enrollees must be discontinued, effective December 31, 2017.

Medicare-eligible individuals remain eligible for the pool coverage if they do not have access to a reasonable choice of comprehensive Medicare Part C plans and pro-

vide evidence of a rejection for coverage, a restrictive rider, an up-rated premium, a pre-existing condition limitation, or lack of access to a Medicare Supplemental Insurance Policy. The Medicare pool coverage does not have a termination date.

The WSHIP Board must complete a study by November 1, 2015, with a review of the populations that may need on-going access to the pool coverage. The eligibility study must include the non-Medicare population and Medicare populations, and consider whether the enrollees have access to comprehensive coverage alternatives that include appropriate pharmacy coverage. The study must include recommendations to address any barriers in eligibility that remain in accessing other coverage such as Medicare supplemental coverage or comprehensive pharmacy coverage, with suggestions for financing changes and recommendations on a future expiration of the pool.

**Votes on Final Passage:**

Senate	49	0	
House	96	0	(House amended)
Senate	47	0	(Senate concurred)

**Effective:** July 28, 2013  
January 1, 2014 (Sections 2 and 3)

**SSB 5456**

C 334 L 13

Concerning detentions under the involuntary treatment act.

By Senate Committee on Human Services & Corrections (originally sponsored by Senators Schlicher, Becker, Keiser, Bailey, Frockt, Cleveland, Hargrove, Darneille and McAuliffe).

Senate Committee on Human Services & Corrections  
House Committee on Judiciary

**Background:** A person may be detained for civil commitment under the Involuntary Treatment Act (ITA) if, due to a mental disorder, the person presents a likelihood of serious harm or is gravely disabled. Mental disorder means any organic, mental or emotional impairment which has substantial adverse effects on a person's cognitive or volitional functions. Likelihood of serious harm means a substantial risk that a person will inflict physical harm on themselves, others, or the property of others. Gravely disabled means a danger of serious physical harm resulting from a failure to provide for essential human needs of health or safety, or a severe deterioration in routine functioning evidenced by repeated and escalating loss of cognitive or volitional control combined with an absence of care essential for health or safety.

Detentions under the ITA are initiated by designated mental health professionals (DMHPs) employed by regional support networks. A DMHP conducting a detention investigation may initiate detention one of two ways.

If the likelihood of serious harm or danger due to grave disability is imminent, the DMHP may initiate an emergency detention and cause the person to be taken into emergency custody in an evaluation and treatment facility (E&T) for up to 72 hours, excluding weekends and holidays. Detention past this 72-hour period requires filing of an additional civil commitment petition and a probable cause hearing in superior court. If the likelihood of serious harm or danger due to grave disability is not imminent, the DMHP may initiate detention for up to 72 hours in a manner similar to the process for an emergency detention, except that the DMHP's petition or sworn telephonic testimony must be reviewed in advance for probable cause and approved by a judicial officer.

A mental health professional is a licensed psychiatrist, psychologist, psychiatric advanced registered nurse practitioner, psychiatric nurse, or social worker.

**Summary:** A DMHP must consult with an examining emergency room physician, if any, when making detention decisions under the ITA, and take serious consideration of the observations and opinions of the physician. The DMHP must document this consultation, including the physician's observations and opinion regarding whether detention is appropriate.

A DMHP who conducts an evaluation for imminent likelihood of serious harm or imminent danger due to grave disability must also evaluate the person for likelihood of serious harm or grave disability that does not meet the imminent standard for emergency detention.

**Votes on Final Passage:**

Senate	49	0	
House	97	0	(House amended)
Senate	43	1	(Senate concurred)

**Effective:** July 28, 2013

**ESSB 5458**

C 51 L 13

Concerning the labeling of certain asbestos-containing building materials.

By Senate Committee on Energy, Environment & Telecommunications (originally sponsored by Senators Billig, Ranker, Kohl-Welles and Kline).

Senate Committee on Energy, Environment & Telecommunications  
House Committee on Environment

**Background:** Asbestos is a naturally occurring mineral fiber found in rock and soil. Because of its strength and heat resistance, asbestos is used as insulation and as a fire retardant.

Exposure to asbestos is recognized as a health hazard. Breathing asbestos fibers can damage the lungs, and impair lung functions that may lead to disability and death. Asbestos also causes lung cancer and other diseases such

as mesothelioma, which is a cancer of the membrane lining the lungs or stomach.

Asbestos is regulated at the federal level by the Occupational Safety and Health Administration (OSHA) and the Environmental Protection Agency (EPA). OSHA regulations apply to asbestos exposure in the workplace and provides worker safety regulations for uses and proper handling of asbestos. The EPA addresses asbestos exposure and potential asbestos exposure in non-occupational settings. Both agencies set regulatory levels for allowable asbestos exposure.

The EPA began regulating asbestos in 1973. In 1989, the EPA issued a rule that banned most uses of asbestos. However, that rule was overturned by the 5th Circuit Court of Appeals. This resulted in allowing most of the existing manufacture, importation, processing, or distribution of many of the products containing asbestos that were banned. Products containing asbestos that are not banned include the following: cement flat sheet, clothing, pipeline wrap, roofing felt, vinyl floor tile, cement shingles, cement pipe, millboard, automobile components, and non-roofing and roof coatings. Prohibited asbestos-containing uses include spray-applied surfacing, pipe insulation and block insulation on boilers and hot water tanks, artificial fireplace embers, and wall-patching compounds.

Within the state, the Department of Labor and Industries (L&I) regulates workplace safety for uses and proper handling of asbestos. L&I also licenses asbestos abatement contractors. The Washington Clean Air Act (CAA) grants the Department of Ecology (Ecology) and local clean air agencies the authority to regulate air quality. Under these provisions, asbestos abatement, the removal and disposal of asbestos-containing materials in homes and commercial buildings, is regulated. Violators of certain provisions of the CAA may incur civil penalties of up to \$10,000 per day per violation, which may be appealed to the Pollution Control Hearings Board.

**Summary:** Beginning January 1, 2014, the manufacture, wholesale, or distribution of building materials containing asbestos must be labeled. Retailers that do not manufacture, wholesale, or distribute asbestos-containing building materials are exempt. Building materials do not include mobile means of transportation, such as cars, recreational vehicles, or boats.

Asbestos-containing building materials must have a label that clearly identifies it as containing asbestos as provided or as required by the EPA. A label must be placed on the exterior packaging or wrapping with the product name and description, and on the exterior surface of the building material itself. The minimum requirements for the label are specified. The labeling of asbestos-containing materials does not apply to materials used for U.S. military purposes or building materials already applied, installed, or used by consumers.

A manufacturer, wholesaler, or distributor may request in writing an exemption to the labeling requirement.

Ecology may grant the exemption, and apply terms and conditions, if it determines the requirements are technically infeasible or will create an undue hardship. The exemption may not exceed three years.

Ecology and local clean air agencies enforce the labeling requirements through provisions under the CAA.

**Votes on Final Passage:**

Senate	47	2
House	65	28

**Effective:** July 28, 2013

## SSB 5459

C 262 L 13

Requiring ninety-day supply limits on certain drugs dispensed by a pharmacist.

By Senate Committee on Health Care (originally sponsored by Senators Becker, Keiser, Parlette, Dammeier and Kline).

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

**Background:** The State Board of Pharmacy, within the Department of Health, regulates the licensing of pharmacists and the practice of pharmacy. In general, pharmacists may dispense medications consistent with the prescription or order; however, a pharmacist may make product substitutions or modifications to the prescription under some conditions.

A number of states have passed legislation allowing pharmacists to dispense refills of a prescription with up to a 90-day supply without the direct order of the prescriber.

**Summary:** A pharmacist may dispense up to a 90-day supply of a drug, other than a controlled substance, with a valid prescription that specifies the initial quantity of less than a 90-day supply followed by refills, if all of the following requirements are met:

- the patient has completed an initial 30-day supply of the drug, or has been previously dispensed the same medication in a 90-day supply;
- the total quantity of dosage units dispensed does not exceed the total quantity of dosage units authorized by the prescriber on the prescription including refills;
- the prescriber has not specified that dispensing the prescription in an initial amount is medically necessary; and
- the pharmacist is exercising professional judgment.

A pharmacist may not dispense a greater supply of a drug if the prescriber indicates no change to quantity orally or in the prescriber's own handwriting, or if the prescriber checks the box on the prescription marked no change to quantity and personally initials the box or checkmark. The pharmacist dispensing an increased supply of the drug

must notify the prescriber of the increase in the dosage dispensed.

Nothing may be construed to require a health benefit plan, workers' compensation insurance plan, pharmacy benefit manager, or other entity, to provide coverage for a drug in a manner inconsistent with the patient's benefit plan.

**Votes on Final Passage:**

Senate	49	0	
House	90	3	(House amended)
Senate	48	0	(Senate concurred)

**Effective:** July 28, 2013

**SB 5465**

C 280 L 13

Concerning exemptions from licensure as a physical therapist.

By Senators Dammeier, Schlicher, Becker, Keiser and McAuliffe.

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

**Background:** The practice of physical therapy is based on movement and science and involves evaluating individuals with functional limitations in movement in order to determine a plan of therapeutic intervention that includes therapeutic exercise, therapeutic massage, and patient-related instruction. Both physical therapists and physical therapist assistants must be licensed by the Department of Health. Physical therapist assistants perform physical therapy procedures and related tasks that are delegated by a supervising physical therapist. These tasks must fall within the scope of the physical therapy practice and may not exceed the education or training of the physical therapy assistant.

Physical therapist assistants are not required to be licensed if they are pursuing a physical therapist assistant degree and are satisfying clinical education requirements while under the direct supervision of a licensed physical therapist. Physical therapists are permitted to supervise a total of two assistive personnel.

**Summary:** A physical therapist assistant is not required to be licensed if the physical therapist assistant is pursuing a physical therapist assistant degree and is satisfying clinical education requirements while under the direct supervision of a licensed physical therapist or a licensed physical therapist assistant.

Physical therapists may supervise two assistive personnel and two students pursuing a degree as a physical therapist or a physical therapist assistant.

**Votes on Final Passage:**

Senate	49	0	
House	93	0	(House amended)
Senate	48	0	(Senate concurred)

**Effective:** July 28, 2013

**SB 5466**

C 62 L 13

Modifying criminal history record information compliance audit provisions.

By Senators Carrell, Kohl-Welles and King; by request of Washington State Patrol.

Senate Committee on Human Services & Corrections  
House Committee on Public Safety

**Background:** The Washington State Patrol (WSP) is the central repository for criminal history record information for the state of Washington. Local criminal justice agencies are required by law to submit felony and gross misdemeanor arrest and disposition information to WSP, where it is included in a central database. The Criminal Records Privacy Act governs the disclosure and dissemination of criminal history information.

WSP must conduct annual audits to ensure all disposition reports have been received from local criminal justice agencies and added to its records. WSP provides each originating criminal justice agency with a report of dispositions that have been outstanding more than nine months since the date of arrest. The agency must respond within 45 days noting any discrepancies in the report. The results of compliance audits are published annually and distributed to legislative committees dealing with criminal justice issues.

**Summary:** In conducting its compliance audit, WSP must identify dispositions that have been outstanding a year or longer since the date of arrest. Outstanding dispositions must be researched by WSP staff or the originating criminal justice agency. Upon receipt of a list of outstanding dispositions from WSP, the criminal justice agency must respond within 60 days.

**Votes on Final Passage:**

Senate	46	0
House	93	0

**Effective:** July 28, 2013

**SB 5472**

C 281 L 13

Authorizing applied doctorate level degrees in audiology at Western Washington University.

By Senators Bailey, Ranker, Kohl-Welles and Becker; by request of Western Washington University.

Senate Committee on Higher Education  
House Committee on Higher Education  
House Committee on Appropriations Subcommittee on Education

**Background:** One of the primary purposes of regional universities is to offer undergraduate and graduate education programs through the master's degree. The regional universities are specifically authorized by law to grant any degree through the master's degree to any student who has completed a program of study in an area determined by the faculty and the institution's board of trustees to be appropriate for granting a degree.

Currently, Eastern Washington University (EWU) is the only regional university that has been authorized to offer a graduate degree above a master's. EWU has the authority to offer applied, but not research, doctorate-level degrees in physical therapy and an educational specialist degree, which is an advanced degree for people who already have a master's degree with a teaching or educational focus.

According to the Academy of Doctors of Audiology (Au.D), the Au.D. is the designator for the professional doctorate, a degree that replaces the master's degree as the standard entry level qualification for the profession of audiology. The transitioning period is complete by 2012, at which time the Au.D., a four-year post-baccalaureate program, is required to enter the practice of audiology.

**Summary:** The board of trustees of Western Washington University is authorized to offer applied, but not research, doctorate-level degrees in audiology.

**Votes on Final Passage:**

Senate	49	0	
House	97	0	(House amended)
Senate	48	0	(Senate concurred)

**Effective:** July 28, 2013

**SB 5476**

C 141 L 13

Clarifying the employment status of independent contractors in the news business.

By Senators Hewitt, Keiser, Conway and Holmquist Newbry.

Senate Committee on Commerce & Labor  
House Committee on Labor & Workforce Development

**Background:** Newspaper or delivery persons selling or distributing newspapers on the street or from house to house are specifically excluded from mandatory coverage for both unemployment insurance and industrial insurance purposes.

Newspaper vendors and carriers are specifically excluded from the standards established under the Minimum Wage Act that address minimum wage, overtime compensation, and recordkeeping.

**Summary:** The exclusions from unemployment insurance, industrial insurance, and the Minimum Wage Act for certain newspaper services are modified and made consistent. Newspaper vendors, carriers, or delivery persons

selling or distributing newspapers on the street, to offices, to businesses, or from house to house are excluded. Also excluded from coverage is any freelance news correspondent or stringer who, using their own equipment, submits material for free or for a fee when the material is published.

**Votes on Final Passage:**

Senate	48	0
House	97	0

**Effective:** July 28, 2013

**ESSB 5480**

C 335 L 13

Concerning mental health involuntary commitment laws.

By Senate Committee on Human Services & Corrections (originally sponsored by Senators Keiser, Kohl-Welles, Darneille, Nelson, McAuliffe and Kline).

Senate Committee on Human Services & Corrections  
Senate Committee on Ways & Means  
House Committee on Judiciary  
House Committee on Appropriations

**Background:** In 2010, the Legislature passed 2SHB 3076, which expanded the criteria for involuntary civil commitment. It provided, in part, that civil commitment would be permissible when a designated mental health professional determines that the person under investigation who has refused voluntary treatment exhibits symptoms or behavior which standing alone would not justify civil commitment, but:

- such symptoms or behavior are closely associated with symptoms or behavior which preceded and led to a past incident of involuntary hospitalization, severe deterioration, or one or more violent acts;
- these symptoms or behaviors represent a marked and concerning change in the baseline behavior of the respondent; and
- without treatment, the continued deterioration of the respondent is probable.

The effective date of this section of 2SHB 3076 was postponed until 2012 so that the Washington State Institute for Public Policy (WSIPP) could study how the new commitment standard was likely to affect civil commitment rates. In a two-part report published in 2011, WSIPP concluded that after implementation the rate of detention would increase from the currently prevailing rate of 40 percent of all civil commitment investigations to a rate between 45-55 percent of all civil commitment investigations, resulting in between 975 and 3104 new inpatient psychiatric admissions per year. According to WSIPP, this increase would require the development of between 48 and 193 new involuntary treatment beds across the state.



In 2011, the Legislature passed SHB 2131, which further delayed the effective date of the new commitment standard until July 1, 2015.

**Summary:** The effective date of the sections of 2SHB 3076 yet to be enacted is accelerated from July 1, 2015, to July 1, 2014.

**Votes on Final Passage:**

Senate	49	0	
House	96	0	(House amended)
Senate	48	0	(Senate concurred)

**Effective:** July 28, 2013

**ESB 5484**

C 256 L 13

Concerning assault in the third degree occurring in areas used in connection with court proceedings.

By Senators Kline, Frockt, Ranker, Rolfes, Padden, Fain and Kohl-Welles; by request of Attorney General.

Senate Committee on Law & Justice  
House Committee on Public Safety

**Background:** Generally, a person commits assault if the person: attempts, with unlawful force, to inflict bodily injury upon another; unlawfully touches another person with criminal intent; or puts another person in apprehension of harm. The crime of assault is divided into four degrees depending on the manner in which it was committed or the amount of harm caused to the victim.

Examples of assault in the third degree include, but are not limited to the following: if a person, with criminal negligence, causes bodily harm to another person using a weapon or other instrument or thing likely to produce bodily harm; with criminal negligence, causes bodily harm accompanied by substantial pain that extends for a period sufficient to cause considerable pain; or 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 themselves or another person, assaults another. Additionally, if a person assaults any of the following persons who were performing their official duties, it is an assault in the third degree:

- a transit operator, driver, mechanic, or security officer;
- a school bus driver, immediate supervisor, mechanic, or security officer;
- a firefighter or other employee of a fire department;
- a law enforcement officer or other employee of a law enforcement agency;
- a peace officer with the use of a stun gun;
- a nurse, physician, or health care provider; or
- a judicial officer, court related employee, county clerk, or county clerk employee.

Assault in the third degree is ranked at level III on the sentencing grid, punishable by a standard range of one to three months for a first offense. In specific instances, the court may exceed the standard sentencing range for an offense if statutory aggravating factors exist. An offender convicted of assault in the third degree may receive a maximum sentence of five years in prison, a maximum fine of \$10,000, or both imprisonment and a fine for the class C felony offense.

**Summary:** A person is guilty of an assault punishable as an assault in the third degree, or for a crime against persons, to be used as an aggravating factor for an exceptional sentence, when the offense specifically takes place in a courtroom, jury room, judge's chamber, or any waiting area or corridor immediately adjacent to a courtroom, jury room, or judge's chamber. Additionally, the offense must occur during times when the courtroom, jury room, or judge's chamber is being used for judicial purposes during court proceedings, and signs notifying the public about the enhanced penalties must be posted at the time the offense takes place. The administrator of the courts must develop a standard sign to notify the public of the possible enhanced penalties.

**Votes on Final Passage:**

Senate	40	9	
House	83	10	(House amended)
Senate	35	9	(Senate concurred)

**Effective:** July 28, 2013

**SB 5488**

C 9 L 13

Establishing an enhanced penalty for the use of an internet advertisement to facilitate the commission of a sex-trafficking crime.

By Senators Kohl-Welles, Padden, Kline, Darneille, Fraser, Ranker, Keiser, Delvin, Carrell, McAuliffe, Chase and Conway.

Senate Committee on Law & Justice  
House Committee on Public Safety

**Background:** Human trafficking is a growing criminal enterprise. Although trafficking affects many states across the country, the ports and international border in Washington State make it prone to trafficking. Additionally, the internet has become a prominent vehicle for sex trafficking of young adults and minors because more people can be solicited through online advertisements.

Commercial sexual abuse of a minor, a class B felony, occurs when a person pays a fee to a minor or a third person as compensation for a minor having engaged in sexual conduct with that person, pays or agrees to pay a fee to a minor or third person pursuant to an understanding that in return the minor will engage in sexual conduct with that person, or solicits, offers, or requests to engage in sexual

conduct with a minor in return for a fee. In addition to penalties imposed for a class B felony, the court must require that the person is not subsequently arrested for patronizing a prostitute or commercial sexual abuse of a minor, remains outside the geographical area in which the person was arrested, and completes a program designed to educate about the negative costs of prostitution.

Promoting commercial sexual abuse of a minor, a class A felony, occurs when a person knowingly advances commercial sexual abuse or a sexually explicit act of a minor or profits from a minor engaged in sexual conduct or a sexually explicit act.

Promoting travel for commercial sexual abuse of a minor, a class C felony, occurs when a person knowingly sells or offers to sell travel services that include or facilitate travel for the purpose of engaging in commercial sexual abuse of a minor or promoting commercial sexual abuse of a minor, if occurring in this state.

Advertising commercial sexual abuse of a minor, a class C felony, occurs when a person knowingly publishes, disseminates, or displays, or causes directly or indirectly to be published, disseminated, or displayed any advertisement for a commercial sex act, which is to occur in Washington and depicts a minor.

**Summary:** In addition to other penalties imposed for sexual exploitation of a child, a fee of \$5,000 must be imposed when a person is convicted of commercial sexual abuse of a minor, promoting commercial sexual abuse of a minor, or promoting travel for commercial sexual abuse of a minor and the court finds that an internet advertisement that described or depicted the victim of the crime was instrumental in facilitating the commission of the crime.

All fees collected must be deposited in the prostitution prevention and intervention account.

Internet advertisement is defined as a statement in electronic media that would be understood by a reasonable person to be an implicit or explicit offer for sexual contact or sexual intercourse in exchange for something of value.

The offense of advertising commercial sexual abuse of a minor is repealed.

**Votes on Final Passage:**

Senate	49	0
House	97	0

**Effective:** July 28, 2013

**ESSB 5491**

C 282 L 13

Establishing statewide indicators of educational health.

By Senate Committee on Early Learning & K-12 Education (originally sponsored by Senators McAuliffe, Litzow, Kohl-Welles, Dammeier, Frockt, Nelson, Rolfes, Chase, Eide, Cleveland, Rivers, Hobbs, Fain, Hewitt, Murray, Kline, Billig and Conway).

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

**Background:** Section 504 of the Federal Rehabilitation Act. Enacted by Congress in 1973, the relevant portion of the act provides: "No otherwise qualified handicapped individual...shall, solely by reason of his handicap be excluded from the participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving federal financial assistance..." section 504 applies to all recipients of federal financial assistance and to all programs or activities that receive or benefit from such assistance. Recipients of federal financial assistance from the U.S. Department of Education (ED) include public school districts, public institutions of higher education, and other state and local education agencies. ED enforces section 504 through an Office for Civil Rights (OCR).

Washington Inventory of Developing Skills (WaKIDS). State funding to support all-day kindergarten is being phased in, beginning in schools with the highest percentage of low-income students. As of the 2012-13 school year, 222 schools received funding to implement all-day kindergarten, serving approximately 18,000 students. Legislation enacted in 2011 requires that, if funding is provided, all schools offering state-funded all-day kindergarten must administer a kindergarten readiness assessment, known as WaKIDS, at the beginning of the school year. One of the components of WaKIDS is Family Connections, which involves a meeting between the teacher and the child's family to share information about the child's interests, needs, and family culture, as well as the classroom and school the child is attending. The meeting typically takes between 30 minutes and one hour.

**Summary:** Statewide Indicators of Educational System Health. The bill establishes six statewide indicators of educational system health: the percentage of students demonstrating the characteristics of entering kindergartners in all six areas identified by the WaKIDS assessment; the percentage of students meeting the standard on the fourth grade statewide reading assessment; the percentage of students meeting the standard on the eighth grade statewide mathematics assessment; the four-year cohort high school graduation rate; the percentage of high school graduates who, during the second quarter after graduation, are either enrolled in postsecondary education or training or are employed, and the percentage during the fourth quarter after

graduation who are either enrolled in postsecondary education or training, or are employed; and the percentage of students enrolled in precollege or remedial courses in college.

Disaggregation of Statewide Indicator Data. The statewide indicators must be disaggregated into at least the following subgroups of students: Caucasian, Black, Hispanic, American Indian/Alaskan Native, Asian, Pacific Islander/Hawaiian Native, low income, transitional bilingual, migrant, special education, and students covered by Section 504 of the Federal Rehabilitation Act of 1973.

Goal-Setting. The State Board of Education (SBE) and the Office of Superintendent of Public Instruction (OSPI) must establish a process for identifying realistic but challenging system-wide performance goals and measurements for each of the statewide indicators and each of the subgroups of students. The performance goal for each indicator must be set and adjusted on a biennial basis, with consideration given to: the magnitude of investments made in each budget toward fully funding the program of basic education; other funding enhancements for programs outside basic education; and the prior two-year gains or losses for that indicator.

Alignment of Strategic Planning and Reporting Progress. SBE, OSPI, the Workforce Training and Education Coordinating Board, and the Student Achievement Council must align their strategic planning and education reform efforts with the statewide indicators and performance goals established by the bill. The four agencies must jointly submit a report on the status of each statewide indicator and recommended performance goals and measurements by December 1 of each even-numbered year, except that the initial report establishing the baseline values and initial goals for statewide indicators must be delivered to the Legislature by December 1, 2013. If the state is not on target to meet the performance goals on any individual indicator, recommendations must be made as to whether adjustments within the program of basic education should be made to improve student achievement in that area. To the extent possible, performance goals for each statewide indicator must be compared with national data to determine if Washington student achievement in that indicator is within the top 10 percent nationally. If comparison data shows that Washington students are falling behind national peers on any indicator, the report must identify and recommended evidence-based reforms targeted at addressing the indicator in question.

**Votes on Final Passage:**

Senate	47	0	
House	93	4	(House amended)
Senate	48	0	(Senate concurred)

**Effective:** July 28, 2013

Authorizing approval of online school programs in private schools.

By Senators Braun, Fain, Hatfield, Hargrove, Dammeier, Chase and Kohl-Welles.

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

**Background:** Recognition of Private Schools. Current law provides that private schools should be subject only to those minimum state controls necessary to ensure the health and safety of all the students in the state and to ensure a sufficient basic education to meet usual graduation requirements. The state and its relevant agencies may not restrict or dictate any specific educational or other programs for private schools, except as provided for by statute.

Private School Advisory Committee. The Office of Superintendent of Public Instruction (OSPI) must appoint a Private School Advisory Committee that is broadly representative of educators, legislators, and various private school groups in the state of Washington.

Online Learning Programs. Most of the requirements regarding Alternative Learning Experience programs are in administrative rules adopted by OSPI. However, online learning programs were first authorized in 2005 through legislation, so some of the requirements as they pertain to online programs appear in statute. In addition, legislation enacted in 2009 requires online learning programs offered to students from multiple school districts, either directly by a school district or under contract, to be approved by OSPI. Beginning in the 2013-14 school year, all online learning programs must be approved by OSPI.

**Summary:** Parameters of Private School Online Programs. If a private school approved by the State Board of Education seeks approval to offer and administer an online school program, including under contract with a third party, the requirements for minimum instructional hour offerings is met for the online school program. Residential dwellings of a parent, guardian, or custodial is deemed an adequate physical facility for students enrolled in the online school program. The online school program is not required to be offered for the same grade levels as the approved private school. No private school offering and administering an online program, third party that contracts with a private school to offer and administer the program, nor parent, guardian, or custodian providing an online program may receive state funding to provide the program.

Recommendations and Report. The Private School Advisory Committee must examine issues associated with state approval of online school programs offered by private schools and must consider whether criteria or procedures for approval in addition to those provided in the bill should be considered by the Legislature. The committee

must submit a report, with recommendations if necessary, to the Legislature by January 10, 2014. In developing recommendations, the committee must be mindful of the Legislature's intent that private schools should be subject only to those minimum state controls necessary to ensure the health and safety of all the students in the state and to ensure a sufficient basic education to meet usual graduation requirements.

**Votes on Final Passage:**

Senate	49	0
House	97	0

**Effective:** July 28, 2013

**SSB 5507**

C 283 L 13

Increasing transparency of donors to candidates and ballot measures.

By Senate Committee on Governmental Operations (originally sponsored by Senators Billig, Benton, Rolfes, Rivers, Hatfield, Harper, Ranker, Hasegawa, Frockt, Schlicher, Smith, Fraser, Sheldon, Roach, Kohl-Welles, Keiser, Shin, Murray, McAuliffe, Kline and Conway).

Senate Committee on Governmental Operations  
House Committee on Government Operations & Elections

**Background:** The Secretary of State must print and distribute a voters' pamphlet to each household in the state, public libraries, and other locations whenever a statewide ballot measure or office is scheduled to appear on the general election ballot. The voters' pamphlet must contain the following information:

- information about ballot measures and advisory vote measures;
- candidate statements, if submitted;
- contact information for the Public Disclosure Commission;
- contact information for the major political parties;
- a statement explaining the amendatory style used in ballot measures; and
- any additional information required by law or that the Secretary of State deems informative to voters.

The top of each ballot must contain clear and concise instructions directing the voter on how to mark their ballot, including how to write in a vote. Ballots must contain a clear delineation between the instructions and the candidates and measures that appear on the ballot.

**Summary:** The following statement must be included in the ballot instructions and in a prominent position in the voters' pamphlet: "For a list of the people and organizations that donated to state and local government candidates and ballot measure campaigns, visit [www.pdc.wa.gov](http://www.pdc.wa.gov)." The Secretary of State may substitute such language as is necessary for accuracy and clarity.

The county auditor or local election official, at their discretion, may instead print the statement in a prominent position on the ballot envelope and in the materials that accompany the ballot, rather than on the ballot itself.

**Votes on Final Passage:**

Senate	49	0	
House	93	0	(House amended)
Senate	48	0	(Senate concurred)

**Effective:** July 28, 2013

**SB 5510**

C 263 L 13

Concerning the abuse of vulnerable adults.

By Senators Becker, Keiser, Kohl-Welles, McAuliffe and Conway; by request of Department of Social and Health Services.

Senate Committee on Health Care  
House Committee on Judiciary

**Background:** The term vulnerable adult includes a person who is 60 years of age or older and who has a functional, mental, or physical inability to care for himself or herself; is found to be incapacitated; has a developmental disability; has been admitted to a facility licensed or certified by the Department of Social and Health Services (DSHS); receives services from home health, hospice, or home care agencies; receives services from an individual provider; or self-directs his or her own care and receives services from a personal aide.

Mandated reporters must immediately report suspected abandonment, abuse, financial exploitation, or neglect of a vulnerable adult to DSHS. Mandated reporters include the following: DSHS employees; law enforcement officers; social workers; professional school personnel; individual providers; employees of social service, welfare, mental health, adult day health, adult day care, home health, home care, or hospice agencies; county coroners or medical examiners; Christian Science practitioners; and health care providers. The term neglect includes an act or omission that constitutes a clear and present danger to the health, welfare, or safety of the vulnerable adult.

DSHS must investigate allegations of abuse, abandonment, neglect, self-neglect, and financial exploitation of vulnerable adults. Reports of abandonment, abuse, financial exploitation, or neglect of a vulnerable adult are confidential and not subject to disclosure.

**Summary:** The definition of neglect is modified to clarify that the act or omission that demonstrates a clear and present danger to a vulnerable adult must be an act or omission of a person with a duty of care to the vulnerable adult.

In conducting an investigation of abandonment, abuse, financial exploitation, self-neglect, or neglect of a vulnerable adult, DSHS or law enforcement must have access to all relevant records related to the vulnerable adult

that are in possession of mandated reporters and their employees. However, records maintained by professional review boards and quality improvement committees are not subject to disclosure and access to any records that would violate attorney-client privilege may not be provided without a court order. Providing access to required records is not considered a violation of any confidential communication privilege.

DSHS, the Certified Professional Guardian Board, and the Office of Public Guardianship may share information contained in reports and investigations of abuse, abandonment, neglect, self-neglect, and financial exploitation of vulnerable adults. This information must be used for recruiting guardians and for monitoring or disciplining certified professional or public guardians. These reports remain confidential and may not be subject to further disclosure.

**Votes on Final Passage:**

Senate	48	0	
House	95	2	(House amended)
House	98	0	(House receded/amended)
Senate	45	0	(Senate concurred)

**Effective:** July 28, 2013

**SSB 5517**

C 52 L 13

Changing the criteria for the beer and wine tasting endorsement for grocery stores.

By Senate Committee on Commerce & Labor (originally sponsored by Senators Hobbs, Hewitt, Hatfield, Honeyford and Shin).

Senate Committee on Commerce & Labor  
House Committee on Government Accountability & Oversight

**Background:** Grocery stores licensed by the Liquor Control Board (LCB) to sell beer and wine are able to apply to LCB for an endorsement that allows them to offer beer and wine tasting. In order to qualify for this endorsement the grocery store must have retail sales of grocery products for off-premises consumption that amount to more than 50 percent of the licensee's gross sales, or be a membership organization with a requirement that members be over the age of 18. The grocery store must be at least 9000 square feet.

Beer and wine tasting samples must be two ounces or less, with up to a total of four ounces permitted per customer during a visit. Food must be available, customers tasting beer or wine must remain in the service area, and the service area must be where the licensee can ensure that persons under 21 and apparently intoxicated persons cannot possess or consume alcohol. Servers must have a class 12 alcohol server permit. The annual fee for the endorse-

ment is \$200. LCB can adopt rules to implement this practice.

**Summary:** Grocery stores licensed by LCB to sell beer and wine are able to apply to LCB for an endorsement that allows them to offer beer and wine tasting if they operate a fully enclosed retail area encompassing at least 10,000 square feet.

**Votes on Final Passage:**

Senate	38	11
House	81	12

**Effective:** July 28, 2013

**SSB 5518**

PARTIAL VETO

C 11 L 13

Making nonsubstantive changes to election laws.

By Senate Committee on Governmental Operations (originally sponsored by Senators Roach, Darneille, Sheldon and Hatfield; by request of Secretary of State).

Senate Committee on Governmental Operations  
House Committee on Government Operations & Elections

**Background:** Changes and challenges to state and federal election laws have created redundant statutes, outdated references and citations, and errors in dates.

Election Law Reorganization. In 2003, the Legislature reorganized and streamlined the election procedures statutes that were in Title 29. The result is the current Title 29A, which now contains the laws establishing procedures for the conduct of elections.

Primary Elections. Also in 2003, the Ninth Circuit Court of Appeals struck down Washington's blanket primary system, which had been in place since 1935. Holding that the system violates the right of political parties to exclude those who did not affiliate themselves with the party from selecting the party's standard bearer, the court found the system unconstitutional.

In response, the Legislature passed ESB 6453 in 2004, which created two alternative primary systems: a top-two primary system, where candidates merely state a party preference; and a pick-a-party primary system, where voters affiliate with one party and select only that party's ticket. Statutes for both systems were included in the bill in the event the top-two primary was declared unconstitutional. The provisions creating the top-two primary were vetoed, and the pick-a-party system became law.

Voters then passed Initiative 872 in 2004 to implement the top-two primary method. After its constitutionality was upheld, it remains today as the primary election method. Many statutes implementing the pick-a-party primary, which is not in use, have not been repealed.

Primary Election Date. In 2006 and 2011, the Legislature changed the date of the primary election to comply with federal law regarding the mailing of ballots to mili-

tary and overseas voters. Previously held the second Tuesday in September, the primary is now held on the first Tuesday in August. These changes required additional election-related dates and deadlines to be changed.

**Superior Court Judge Residency Requirement.** In the case of *Parker v. Wyman*, 176 Wn.2d 212 (2012), the Washington Supreme Court held that a candidate for county superior court judge does not need to reside in that county to appear on the ballot and stand for election.

**Summary:** Nonsubstantive changes are made to election law statutes, including the following:

- statutes related to the pick-a-party primary system are repealed or amended to comply with the top-two primary;
- laws declared unconstitutional, including term limits, the blanket primary, and the superior court judge residency requirement are amended or repealed;
- the time period when ballots must be mailed to military and overseas voters is corrected;
- dates relating to the primary election are corrected;
- language regarding restoration of voter rights and the voter's oath are corrected;
- the definition of minor political party is updated; and
- other language is clarified or updated.

**Votes on Final Passage:**

Senate	45	4
House	97	0

**Effective:** July 28, 2013.

**Partial Veto Summary:** Changes to the definition of minor political party were vetoed.

**VETO MESSAGE ON SSB 5518**

April 17, 2013

To the Honorable President and Members,  
The Senate of the State of Washington

Ladies and Gentlemen:

I am returning herewith, without my approval as to Section 5, Substitute Senate Bill 5518 entitled:

"AN ACT Relating to making nonsubstantive changes to election laws."

This bill was introduced by request of the Secretary of State to make technical changes to our election laws. The bill removes outdated language and statutory citations that are no longer relevant with the state's adoption of the top-two primary system and amends state election laws to conform to changes in federal law. Section 5 of the bill contains a change to a definition that could adversely impact minor political parties and is not in keeping with the nonsubstantive purposes of this Act. The Secretary of State agrees that keeping the current definition is preferable.

For these reasons, I have vetoed Section 5 of Substitute Senate Bill 5518.

With the exception of Section 5, Substitute Senate Bill No. 5518 is approved.

Respectfully submitted,



Jay Inslee  
Governor

**SSB 5524**

C 12 L 13

Authorizing Washington pharmacies to fill prescriptions written by physician assistants in other states.

By Senate Committee on Health Care (originally sponsored by Senators Cleveland, Schlicher, Benton, Baumgartner, Keiser, Shin and Kline).

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

**Background:** State law permits some out-of-state health care providers to write prescriptions for controlled substances that may be filled by Washington State pharmacies. These health care providers include physicians, osteopathic physicians, dentists, podiatric physicians, and advanced registered nurse practitioners.

Physician assistants may prescribe controlled substances if specifically approved to do so by the Medical Quality Assurance Commission.

**Summary:** Washington State pharmacies are permitted to fill prescriptions for legend drugs and controlled substances that are written by out-of-state physician assistants and osteopathic physician assistants so long as the physician assistants meet the same qualifications for controlled substances prescribing as in-state physician assistants.

**Votes on Final Passage:**

Senate	49	0
House	97	0

**Effective:** July 28, 2013

**SB 5541**

C 53 L 13

Concerning the redemption of real property.

By Senators Hobbs, Fain, Hatfield and Harper.

Senate Committee on Financial Institutions, Housing & Insurance

House Committee on Judiciary

**Background:** Dating back to the 19th century, a debtor whose real property is sold at a sheriff's foreclosure sale may have the opportunity to purchase back the real property by reimbursing the winning bid amount to the sheriff sale purchaser. This process is known as redemption. Redemption voids the sheriff's sale.

Redemption can occur:

- within eight months after the date of the sale if the sale is pursuant to judgment and decree of foreclosure of any mortgage executed after June 30, 1961, which mortgage declares in its terms that the mortgaged property is not used principally for agricultural or farming purposes, and in which complaint the judgment creditor has expressly waived any right to a deficiency judgment; or

- within one year after the date of the sale.

Parties entitled to redeem include the judgment debtor and creditors who have a lien on the real property by judgment, decree, deed of trust, or mortgage on any portion of the property, or any portion separately sold subsequent in time to when the property was sold. In other words, the time that a creditor's interest is recorded determines a creditor's priority to redeem a foreclosure sale.

**Super Lien Priority.** Under RCW 64.34.364 condominium associations have super lien priority. If a unit holder is delinquent in assessments, the association can file a lien against a unit. The association lien is limited to the assessment amount for the six months prior to foreclosure. When an association forecloses upon a lien, and there is a mortgage on the unit recorded before the date on which the assessment became delinquent, the mortgagee must receive notice of the pending foreclosure and has the opportunity to pay off the lien prior to the sheriff's sale to preserve its deed of trust lien. If the mortgage lender does not pay the off the lien in this instance, the mortgage lender's lien is extinguished.

**Summerhill Village Homeowner's Association v. Roughley.** In a recent Court of Appeals Division 1 case, a unit owner was delinquent in paying the condominium association assessments, and the condominium association placed a lien on the unit and moved to foreclose on the lien. The condominium association named and served the mortgage lender in its judicial lien foreclosure action. Because the lender did not respond or pay the six-month priority before the sheriff's sale, the lender's deed of trust was extinguished. The lender's servicer subsequently instituted foreclosure proceedings against the borrower who was in default. According to the case, it was at this time the lender learned of the association's lien and foreclosure sale and tried to redeem. The court held that the lender was not a redemptioner. By not paying off the association's lien, the lender's rights were extinguished and they were not considered a redemptioner.

**Summary:** A creditor's priority to redeem an interest in foreclosed real property is determined by the creditor's priority, not the time in which the interest was recorded.

In the instance where a condominium association uses its super lien priority to foreclose on a unit owner for unpaid assessments, the lender's priority is not extinguished for failing to pay off the association's lien.

**Votes on Final Passage:**

Senate	47	2
House	93	0

**Effective:** July 28, 2013

Concerning competency to stand trial evaluations.

By Senate Committee on Ways & Means (originally sponsored by Senators Conway, Carrell and Shin).

Senate Committee on Law & Justice  
 Senate Committee on Human Services & Corrections  
 Senate Committee on Ways & Means  
 House Committee on Judiciary  
 House Committee on Appropriations

**Background:** A criminal defendant is incompetent to stand trial when, as a result of a mental disease or defect, the defendant does not have the capacity to understand the proceeding against the defendant or sufficient ability to assist in the defense. Whenever there is reason to doubt a defendant's competency, the court must either appoint or request the state hospital to designate a qualified expert, who must be approved by the prosecuting attorney, to evaluate the mental condition of the defendant. The court may direct the evaluation to be witnessed by an expert retained by or appointed for the defense, who must be allowed to submit an independent report. Regulations adopted by the Department of Social and Health Services (DSHS) limit the reimbursement of a defense expert in this situation to \$800.

In 2012, the Legislature passed SSB 6492, which established performance targets for the state hospitals related to the timely completion of competency evaluations. Performance targets of seven days for completion of an evaluation for defendants in jail and seven days for admission to the state hospital for defendants ordered to receive an inpatient competency evaluation phased in during November 2012. A 21-day performance target for completion of evaluation for defendants in the community phases in during May 2013. Other changes were made for the purpose of speeding up the completion of competency evaluations.

**Summary:** DSHS must reimburse a county for the cost of appointing an expert to complete a competency evaluation for a defendant in jail if DSHS does not meet its seven-day performance target for the timeliness of competency evaluations in jail for at least 50 percent of defendants in the county during the most recent quarter, as determined by DSHS's most recent quarterly report or confirmed by records maintained by DSHS. The expert must be appointed from a list of qualified persons assembled with the participation of prosecutors and the defense bar in the county.

The expert must be compensated in an amount that will encourage in-depth evaluation reports. Reimbursement must be provided in an amount determined by DSHS to be fair and reasonable within funding provided for this specific purpose. Reimbursement may not be less than DSHS's cost for state evaluations, with the county paying any excess costs. The county must provide a copy of the

report to the applicable state hospital if the defendant is referred for admission. The county must maintain data on the timeliness of competency evaluations completed under this act.

Within current resources, the Office of the State Human Resources Director must gather market salary data related to psychologists and psychiatrists employed by DSHS and the Department of Corrections and report to the Governor and relevant committees of the Legislature by June 30, 2013.

**Votes on Final Passage:**

Senate	48	1	
House	96	0	(House amended)
Senate	46	1	(Senate concurred)

**Effective:** July 28, 2013  
May 16, 2013 (Section 2)

**SSB 5556**

C 285 L 13

Concerning missing endangered persons.

By Senate Committee on Law & Justice (originally sponsored by Senators Darneille, Dammeier, Schlicher, Conway, Roach, McAuliffe, Becker, Carrell, Delvin and Shin).

Senate Committee on Law & Justice  
House Committee on Public Safety

**Background:** The Endangered Missing Person Advisory (EMPA) program was developed and implemented in 2010. Its purpose is to enhance the public's ability to assist in recovering endangered missing persons who do not qualify for inclusion in an Amber Alert. The Amber Alert plan was originally designed to collect information about missing children. EMPA is initiated by law enforcement when the Amber Alert criteria are not met and a person is missing under unexplained or suspicious circumstances; the person is believed to be in danger; the incident was reported to law enforcement; and there is enough descriptive information available to assist in the person's recovery.

**Summary:** Missing endangered person is defined as a person with a developmental disability or a vulnerable adult believed to be in danger because of age, health, mental or physical disability, a combination of environmental or weather conditions, or is believed to be unable to return safely without assistance. The Missing Children Clearinghouse is renamed the Missing Children and Endangered Person Clearinghouse. The EMPA plan is created and maintained by the Washington State Patrol (WSP). Social media may be used to enhance the public's ability to assist in recovering abducted children or missing endangered persons. Law enforcement agencies must file the missing person report into the state missing person computerized network within six hours instead of within 12 hours.

**Votes on Final Passage:**

Senate	49	0	
House	93	0	(House amended)
Senate	48	0	(Senate concurred)

**Effective:** July 28, 2013

**SB 5558**

C 13 L 13

Creating loan-making authority for down payment assistance for single-family homeownership.

By Senators Fain, Hobbs, Keiser, Shin and Kline; by request of Housing Finance Commission.

Senate Committee on Financial Institutions, Housing & Insurance

House Committee on Community Development, Housing & Tribal Affairs

**Background:** The Washington State Housing Finance Commission (Commission) was created by the Legislature in 1983. The Commission however, is not a state agency, does not receive or lend state funds, and its debt is not backed by the full faith and credit of the state. In addition to other power and duties, the Commission's purpose is to provide decent, safe, sanitary, and affordable housing for eligible persons.

The Commission acts as a conduit of federal financing for housing, nonprofit facilities, and beginning farmers and ranchers. It issues both tax-exempt and taxable bonds to provide below market-rate financing to nonprofit and for-profit housing developers who set aside a certain percentage of their units for low-income individuals and families. The Commission also issues tax-exempt bonds to provide below market-rate financing for non-housing nonprofit facilities and for beginning farmers and ranchers.

In December 2012, the Department of Housing and Urban Development (HUD) published an interpretive rule that requires the Commission to provide down payment assistance to home buyers using Federal Housing Administration mortgage insurance directly at the closing table and not through a third-party, or non-governmental entity. HUD has since provided further guidance that down payment assistance loans should be closed in the name of the Commission and not in the name of the first mortgage lender.

Currently, the Commission can purchase a down payment assistance loan from a participating mortgage lender, but cannot make a direct down payment assistance loan to a borrower.

**Summary:** In addition to other power and duties in furtherance of the purpose to provide decent, safe, sanitary, and affordable housing for eligible persons, the Commission is empowered to make loans for down payment assistance to homebuyers in conjunction with other Commission programs.



**Votes on Final Passage:**

Senate	48	0
House	59	38

**Effective:** April 17, 2013

**SSB 5559**

C 296 L 13

Authorizing educational specialist degrees at Central Washington University, Western Washington University, and The Evergreen State College.

By Senate Committee on Higher Education (originally sponsored by Senators Bailey, Kohl-Welles, Tom and McAuliffe).

Senate Committee on Higher Education  
House Committee on Higher Education

**Background:** One of the primary purposes of regional universities is to offer undergraduate and graduate education programs through the master's degree. The regional universities are specifically authorized by law to grant any degree through the master's degree to any student who has completed a program of study in an area determined by the faculty and the institution's board of trustees to be appropriate for granting a degree.

In 2011, legislation was enacted authorizing Eastern Washington University (EWU) to offer an educational specialist degree (Ed.S.). An Ed.S. is an advanced degree for people who already have a master's degree with a teaching or educational focus. It is an intermediate degree between a master's and a doctorate. Some common Ed.S. specialties include school psychology, curriculum and instruction, special education, and educational administration.

Currently, EWU is the only regional university that has been authorized to offer a graduate degree above a master's.

**Summary:** The boards of trustees of Central Washington University, Western Washington University, and The Evergreen State College are authorized to offer Ed.S. degrees.

**Votes on Final Passage:**

Senate	49	0
House	97	0

**Effective:** July 28, 2013

**ESSB 5563**

C 10 L 13

Regarding training for school employees in the prevention of sexual abuse.

By Senate Committee on Early Learning & K-12 Education (originally sponsored by Senators Kohl-Welles, Litzow, Rolfes, Keiser, McAuliffe and Kline).

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

**Background:** Currently, the Office of Superintendent of Public Instruction (OSPI) does not require teachers, administrators, and educational staff to receive sex abuse prevention training. However, the Professional Educator Standards Board (PESB) does. PESB requires the training for initial, continuing, and professional certification.

Commercial sexual abuse of a minor occurs when a person does any of the following:

- pays a fee to a minor or a third person as compensation for a minor having engaged in sexual conduct with that person;
- pays or agrees to pay a fee to a minor or a third person pursuant to an understanding that in return such minor will engage in sexual conduct with that person; or
- solicits, offers, or requests to engage in sexual conduct with a minor in return for a fee.

The crime of commercial sexual abuse of a minor was created in law in 2007.

Sexual exploitation of a minor occurs when a person does any of the following:

- compels a minor by threat or force to engage in sexually explicit conduct, knowing that such conduct will be photographed or part of a live performance;
- aids, invites, employs, authorizes, or causes a minor to engage in sexually explicit conduct, knowing that such conduct will be photographed or part of a live performance; or
- being a parent, legal guardian, or person having custody or control of a minor, permits the minor to engage in sexually explicit conduct, knowing that the conduct will be photographed or part of a live performance.

The crime of sexual exploitation of a minor was created in law in 1984.

The Washington Coalition of Sexual Assault Programs is a nonprofit organization that provides information and training to programs and individual members who work with victims and the general public on sexual assault.

**Summary:** To receive initial certification as a teacher in this state after August 31, 1991, an applicant must successfully complete a course on issues of abuse. The content of the course must discuss the identification of physical

abuse, emotional abuse, sexual abuse, commercial sexual abuse of a minor, sexual exploitation of a minor, and substance abuse; information on the impact of abuse on the behavior and learning abilities of students; discussion of the responsibilities of a teacher to report abuse or provide assistance to students who are the victims of abuse; and methods for teaching students about abuse of all types and their prevention.

The Washington Coalition of Sexual Assault Programs, in consultation with a number of other organizations and entities must, by June 1, 2014, update existing educational materials made available throughout the state to inform parents and other interested community members about how to prevent children from being recruited into sex trafficking, among other issues.

Certificated and classified school employees must receive training regarding their reporting obligations for student physical abuse or sexual misconduct victimization in their orientation training and then every three years thereafter. The training required may be incorporated within existing training programs and related resources.

**Votes on Final Passage:**

Senate	49	0
House	97	0

**Effective:** July 28, 2013

## SSB 5565

C 162 L 13

Concerning background checks for individuals seeking a license under chapter 74.13 RCW or unsupervised access to children.

By Senate Committee on Human Services & Corrections (originally sponsored by Senators Hargrove, Carrell, Keiser, Harper, Nelson, Kohl-Welles, McAuliffe and Kline).

Senate Committee on Human Services & Corrections  
House Committee on Early Learning & Human Services  
House Committee on Appropriations Subcommittee on Health & Human Services

**Background:** The Department of Social and Health Services (DSHS) conducts criminal history background checks and checks for child abuse or neglect history for persons who apply for state employment; for a license to be a foster parent; and for persons employed by a business or organization licensed by DSHS, or with whom DSHS has a contract to provide care, supervision, case management, or treatment for children in care.

**Summary:** DSHS must not deny or delay an application for employment or unsupervised access to children to an individual based solely on a crime or civil infraction revealed in the background process that is not on the Secretary of DSHS's list of negative actions and not directly related to child safety, permanence, and well-being. If

DSHS determines that the requisite character, suitability, and competence is not present, DSHS must provide reasons in writing to the person with copies of records or documents related to this decision within ten days of the determination. DSHS and its officers, agents, and employees may not be held civilly liable for its employment or licensure decision if the background information relied upon does not indicate that child safety would be a concern.

A nonprofit with expertise in veteran parent programs must convene a workgroup to consider options, including a certificate of rehabilitation, to address the impact of founded complaints on the ability of rehabilitated individuals to gain employment or care for children. The workgroup must report its recommendations to the Legislature by December 31, 2013. A list of required workgroup participants is provided.

DSHS must charge a fee to process requests from a person in another state for a person's child abuse or neglect history. All proceeds from the fee must go directly to aiding the cost associated with DSHS background checks. A definition is provided for the word unsupervised.

When placing a child before a shelter care hearing with a relative or other suitable person, the fingerprint-based background check need not be completed before placement, but as soon as possible after placement, if the person appears otherwise suitable and competent to provide care and treatment.

**Votes on Final Passage:**

Senate	48	0	
House	96	0	(House amended)
Senate	47	0	(Senate concurred)

**Effective:** July 28, 2013

December 1, 2013 (Section 5)

## SSB 5568

C 54 L 13

Concerning the disclosure of certain information when screening tenants.

By Senate Committee on Financial Institutions, Housing & Insurance (originally sponsored by Senators Hobbs, Kohl-Welles, Billig, Frockt, Chase, Harper, Hasegawa, Keiser, Shin, Kline and Nelson).

Senate Committee on Financial Institutions, Housing & Insurance

House Committee on Judiciary

**Background:** The Residential Landlord-Tenant Act (RLTA) regulates residential tenancies and the relationship between landlords and tenants of residential dwelling units. The RLTA establishes rights and duties of both tenants and landlords, procedures for the parties to enforce their rights, and remedies for violations of the RLTA.

Landlord duties include such things as the duty to maintain the premises in reasonably good repair and remedy defective conditions within specified timelines. Tenant duties include the duty to pay rent, not damage the dwelling or allow a nuisance, and not engage in drug activity or criminal activity on the premises. The RLTA covers a wide variety of other issues governing the landlord-tenant relationship, including: prohibited provisions in rental agreements and prohibited practices by landlords; the landlord's right of access to the dwelling unit; procedures and remedies available to a landlord when a tenant has abandoned the tenancy or is subject to eviction for violations of the RLTA; and requirements with respect to the collection and retention of security deposits, nonrefundable fees, and fees or deposits to hold a dwelling unit or secure a tenancy.

Under the RLTA, a landlord may not terminate a tenancy, fail to renew a tenancy, or refuse to enter into a rental agreement based on the tenant's, applicant's, or household member's status as a victim of domestic violence, sexual assault, or stalking, or based on the tenant terminating a tenancy based on these crimes as provided for in RCW 59.18.575.

With a tenant or prospective tenant's permission, a tenant screening provider may provide a landlord with information regarding a tenant's background which may include credit and criminal history. If a landlord denies tenancy, or fails to renew a tenancy, based on information in the tenant or prospective tenant's consumer report, the landlord must let the person know the decision was made based upon information in that report as well as information as to how the person may access the report, for free.

**Summary:** A tenant screening service provider may not disclose a tenant's, applicant's, or household member's status as a victim of domestic violence, sexual assault, or stalking; or knowingly disclose as to whether that person previously terminated a tenancy as a victim of these crimes. Tenants may voluntarily disclose their victim status.

**Votes on Final Passage:**

Senate	46	3
House	94	0

**Effective:** January 1, 2014

**ESSB 5577**

C 190 L 13

Protecting public employees who act ethically and legally.

By Senate Committee on Human Services & Corrections (originally sponsored by Senator Carrell).

Senate Committee on Human Services & Corrections  
Senate Committee on Ways & Means  
House Committee on Government Operations & Elections

**Background:** The Executive Ethics Board (EEB), Legislative Ethics Board, and Commission on Judicial Conduct investigate and may initiate complaints regarding the conduct of state government employees. Any person may file a complaint with an ethics board alleging violations of the ethics law. An investigation is limited to the assertions made in the complaint. The staff of an ethics board may issue an order of dismissal based on the complaint not being within the ethic board's jurisdiction, the complaint being unfounded or frivolous, or the complaint alleging violations that do not constitute material violations of the ethics laws. If the staff issues an order of dismissal, the order may be appealed to the appropriate ethics board.

If the investigation results in a determination of reasonable cause that a violation occurred, the ethics board must hold a public hearing regarding the merits of the complaint. The staff of the appropriate ethics board must present the case in support of the complaint. The respondent must file a response to the complaint and may appear in person at the hearing and submit testimony. If the ethics board finds, upon a preponderance of evidence, that the respondent has violated ethics laws, an enforcement action may be taken. If the ethics board finds that the respondent has not violated the law, it must file an order dismissing the complaint.

Whistleblower protection applies to a person who reports alleged improper governmental action in good faith report to the State Auditor, Attorney General, the director of the employee's agency, or the EEB. Such a person receives protection from retaliatory action.

**Summary:** A state employee who files an ethics complaint after making a reasonable attempt to ascertain the correctness of the information furnished must be afforded protection from retaliation similar to protection provided to whistleblowers, even if the complaint is subsequently denied. A retaliator may be subject to a civil penalty of up to \$5,000.

The EEB may not delegate its authority to issue complaints to the board's executive director. The EEB may request the assistance of the Attorney General or a contract investigator when investigating the conduct of an employee.

The identity of a person filing an ethics complaint in good faith is made exempt from public disclosure under the Public Records Act.

An ethics action is deemed to have been commenced when the appropriate ethics board or the board's executive director accepts a complaint for filing and initiates a preliminary investigation. Each executive branch agency must designate an ethics advisor to assist the agency's employees in understanding their obligations under the Ethics in Public Service Act. Executive branch employees are encouraged to attend an ethics training at least once every 36 months.

**Votes on Final Passage:**

Senate	47	0
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Senate 47 0 (Senate reconsidered)  
 House 96 1 (House amended)  
 Senate 47 0 (Senate concurred)

**Effective:** July 28, 2013

## SSB 5591

C 336 L 13

Concerning confidential license plates, drivers' licenses, identicards, and vessel registrations.

By Senate Committee on Transportation (originally sponsored by Senators Eide, King and Shin; by request of Department of Licensing).

Senate Committee on Transportation  
 House Committee on Transportation

**Background:** The Department of Licensing (DOL) is responsible for issuing various vehicle and driver-related documents, such as vehicle registrations, drivers' licenses, and identicards. In addition to standard vehicle and driver-related documents, DOL may issue confidential vessel registrations and license plates to law enforcement agencies, statewide elected officials, certain public employees when it is recommended by the Washington State Patrol (WSP), and the State Treasurer to transport state funds or negotiable securities. The use of confidential license plates by a state law enforcement agency is limited to confidential, investigative, or undercover work; confidential public health work; and public assistance, fraud, or support investigations.

DOL retains public records related to the issuance of these documents. Generally, under the Public Records Act all public records are to be made available to the public upon request unless specifically exempt.

**Summary:** DOL is granted authority to issue confidential driver licenses and identicards to commissioned officers of law enforcement agencies for undercover or covert law enforcement activities. Confidential drivers' licenses and identicards may be used only during an undercover or covert law enforcement operation and the holder must return the confidential document to DOL within 30 days of the end of their undercover or covert operation or upon the officer's retirement, termination, dismissal, change in job assignment, or leave from the agency.

Records related to confidential vessel registration, licenses plates, drivers' licenses, and identicards are exempt from public disclosure. However, the total number of confidential vessel registration, licenses plates, drivers' licenses, and identicards that have been issued will still be available for release. Upon request by the Legislature, DOL must provide a report summarizing information about the confidential drivers' licenses, identicards, license plates, and vehicle and vessel registration programs.

DOL must perform background investigations on employees who have access to confidential vessel registration, license plates, drivers' licenses, and identicards.

### Votes on Final Passage:

Senate 47 1  
 House 88 8 (House amended)  
 Senate 47 0 (Senate concurred)

**Effective:** May 21, 2013

## SB 5593

C 236 L 13

Concerning filing requirements for property tax exemption claims for certain improvements to benefit fish and wildlife habitat, water quality, or water quantity.

By Senators Smith and Parlette.

Senate Committee on Natural Resources & Parks  
 House Committee on Finance

**Background:** Real and personal property is generally subject to property tax each year based on its value, unless a specific exemption is provided by law. There are two classes of property. Real property consists of land and the buildings, structures, and improvements that are affixed to land. Personal property consists of all other property, such as machinery, equipment, furniture, and supplies of businesses. The tax is determined by multiplying the assessed value by the tax rate for each taxing district in which the property is located.

State law provides exemptions for certain types of property. One example is for improvements to real and personal property if the improvements are a part of a written conservation plan that provides benefits to wildlife habitat, water quality, or water quantity. The conservation plan must be approved by a local conservation district. Conservation districts must work with state and federal natural resource agencies and nonprofit organizations to assist landowners obtain approved conservation plans and qualify for the exemption.

A landowner may file a claim at any time with a county assessor to receive the tax exemption. The claim must include the conservation district's certification of the conservation plan and the landowner must verify that the improvements have been maintained as provided in the plan.

**Summary:** Landowners applying for a property tax exemption for an improvement that benefits fish and wildlife habitat must file a claim for an exemption by October 31. For each subsequent filing year, the claim must contain a copy of the conservation district's initial certification and the landowner's certification for the current year.

### Votes on Final Passage:

Senate 48 0  
 House 97 0

**Effective:** July 28, 2013

2SSB 5595

C 337 L 13

Concerning child care reform.

By Senate Committee on Ways & Means (originally sponsored by Senators Billig, Litzow, Darneille, Fain, Hargrove, McAuliffe, Harper, Nelson, Hobbs, Mullet, Frockt, Cleveland, Rolfes, Kohl-Welles, Shin, Kline and Conway).

Senate Committee on Human Services & Corrections  
Senate Committee on Ways & Means  
House Committee on Early Learning & Human Services  
House Committee on Appropriations

**Background:** The Working Connections Child Care Program (WCCC) provides subsidies to child care providers serving families at or below 200 percent of the federal poverty line. Subsidy payments go directly to child care providers. Families make a co-payment to receive child care while they work or receive training for work. Copays for WCCC are currently \$15 for families with income between 0 and 82 percent of the federal poverty line; \$65 for income between 82 and 137.5 percent of the federal poverty line; and \$65 plus a multiplier of one-half for every dollar of income over 137.5 percent of the federal poverty line. A person receiving WCCC while receiving training for work is generally limited to basic education or vocational training.

The Department of Early Learning (DEL) has the authority to establish and implement policies in WCCC. The Department of Social and Health Services (DSHS) has the responsibility for verifying a family's eligibility to receive WCCC subsidies.

In 2007, the Legislature required DEL to establish a voluntary quality rating and improvement system applicable to licensed or certified child care centers and homes, and early education programs. In response, DEL worked with the University of Washington to develop the Early Achievers program. Early Achievers establishes a common set of expectations and standards that define, measure, and improve the quality of early learning settings. All WCCC providers have the option of participating in Early Achievers.

In 2010, the Legislature required DEL to coordinate with DSHS and contract with an independent consultant to evaluate and recommend the optimum system for the eligibility determination process. The evaluation was to include an analysis of lean management processes that, if adopted, could improve the cost effectiveness and delivery of eligibility determination. The Aclara Group delivered its report to DEL on October 31, 2012.

**Summary:** When providing services to parents applying for or receiving WCCC, DEL must provide training to department employees on professionalism. Further, DSHS must:

- return all calls from parents receiving benefits within 2 business days;

- develop a process by which parents can submit required forms and information electronically by June 30, 2015;
- notify providers and parents 10 days before the loss of benefits; and
- provide parents with a document explaining the services they are eligible for, how they can appeal adverse decisions, and the parents' responsibilities in obtaining and maintaining eligibility for WCCC.

A legislative task force on child care improvement is established. Membership is prescribed, including legislative representation. Staff support shall be provided by Senate Committee Services and the House Office of Program Research. The task force must provide a report and recommendations to the legislature no later than December 31, 2013 addressing the following issues:

- creation of a tiered reimbursement model;
- development of recommendations and an implementation plan for expansion of the early childhood education and assistance program;
- development of recommendations for market rate reimbursement; and
- development of recommendations for a further graduation of the copay scale to eliminate the cliff that occurs at subsidy cut off.

The Legislature finds that the recommendations in the Aclara Group report will result in streamlining the child care system to improve access and customer service and should be followed. By December 1, 2013, DEL and DSHS must:

- eliminate the current custody/visitation policy and design a flexible subsidy system;
- create broad authorization categories to account for minor changes in parents' work schedules;
- establish rules to specify that parents who receive WCCC and participate in 110 hours or more of approved work or related activities are eligible for full-time child care services; and
- clarify and simplify the requirement to count child support as income.

**Votes on Final Passage:**

Senate	47	2	
House	58	38	(House amended)
House	58	39	(House receded/amended)
Senate	38	7	(Senate concurred)

**Effective:** July 28, 2013

## SSB 5601

C 297 L 13

Concerning interpretation of state law regarding rebating practices by health care entities.

By Senate Committee on Health Care (originally sponsored by Senators Becker, Cleveland, Dammeier and Schlicher).

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

**Background:** Federal law known as the anti-kickback statute, provides criminal penalties for individuals or entities that knowingly and willingly offer, pay, solicit, or receive remuneration in order to induce or reward the referral of business reimbursable under any federal health care programs. The types of remuneration specifically prohibited include kickbacks, bribes, and rebates made in cash or in kind. Subsequent legislation established safe-harbor protections for certain arrangements involving the donation of electronic prescribing and electronic health records software and training services.

The state law on rebating or kick-backs for health professions does not allow the rebate, refund, commission or profit by any means in connection with the following: the referral of patients; in connection with the furnishing of medical, surgical, or dental care, diagnosis, treatment or service; on the sale, rental, furnishing, or supplying of clinical laboratory supplies of any kind; or any goods, services, or supplies prescribed for medical diagnosis, care, or treatment. The state law on rebating has not been updated in a decade, and it does not reflect the federal safe harbors that have been developed in recent years.

**Summary:** The state rebating law is amended to indicate that the law may not be construed to limit or prohibit the donation of electronic health record technology or other activity by any entity, including a hospital that operates a clinical laboratory, when the donation or other activity is allowed by federal law or does not otherwise violate federal law. The provisions do not apply to an entity that operates principally as a clinical laboratory.

Electronic health record technology is defined to mean items and services, in the form of software or information technology and training services, used to create, maintain, transmit, or receive electronic health records.

The act applies retroactively to June 1, 2006, as well as prospectively, to mirror the timeframe of the federal protections.

**Votes on Final Passage:**

Senate	49	0	
House	96	0	(House amended)
Senate	45	0	(Senate concurred)

**Effective:** July 28, 2013

## ESB 5603

C 318 L 13

Establishing the Washington coastal marine advisory council and the Washington marine resources advisory council.

By Senators Hatfield, Kohl-Welles, Shin and Ranker.

Senate Committee on Energy, Environment & Telecommunications

Senate Committee on Ways & Means

House Committee on Environment

House Committee on Appropriations Subcommittee on General Government

**Background:** Washington Coastal Marine Advisory Council (WCMAC). In 2011, the Department of Ecology (Ecology) established WCMAC, a stakeholder group that provides Ecology with a local, coastal perspective when implementing the state's coastal and ocean policy. Representatives serve three-year terms and may be reappointed. Funding to support a neutral convener and logistics for WCMAC is secured through June 30, 2013.

2012 Legislation and Governor's Veto. In 2012, the Legislature passed 2SSB 6263, which among other things, created a Washington State Coastal Solutions Council within the Office of the Governor. The council consisted of the voting members of WCMAC, as it existed on December 2011, with additional nonvoting state agency representation. The Governor vetoed the provisions creating the Washington State Coastal Solutions Council, explaining that it was unclear how the council would exercise its duties in relation to the agencies with jurisdiction over marine and coastal issues, and questioning the accountability of an autonomous body that determines its own membership.

Marine Resources Stewardship Trust Account. The Marine Resources Stewardship Trust Account is used for marine management planning, marine spatial planning, research, monitoring, implementation of the state's marine management plan, and for the restoration or enhancement of marine habitat or resources. The projected fund balance is \$982,000 as of December 2012.

Washington State Blue Ribbon Panel (Panel) on Ocean Acidification. Former Governor Gregoire convened the Panel on Ocean Acidification in February 2012, and charged it with developing recommendations to address ocean acidification by reviewing the current scientific knowledge. The Panel issued a report in November 2012, which outlined a strategy to reduce and respond to ocean acidification.

Funding to Implement the Ocean Acidification Strategy. Former Governor Gregoire submitted a proposed 2013-15 budget that would provide \$3.31 million to the University of Washington (UW), Ecology, and the Department of Natural Resources to begin implementing the Panel's recommendations.

**Summary:** Establishing WCMAC in Statute. WCMAC is created in statute, housed in the Governor's Office, with the Governor appointing voting representatives from the groups represented by WCMAC on January 15, 2013. In addition, voting representatives from the following offices or departments are added to WCMAC: Governor, Ecology, Natural Resources, Fish & Wildlife, Parks, and Commerce. Representatives serve four-year terms.

WCMAC must serve as a forum for communication concerning coastal waters issues, such as resource management, fisheries, shellfish aquaculture, and ocean energy. It must also provide recommendations on a variety of specific coastal management and funding issues. WCMAC must adopt bylaws and operating procedures. It may hire a neutral convener to assist with facilitation, agendas, and other WCMAC duties, consistent with available resources, although Ecology must provide primary staff and administrative support to WCMAC.

Funding WCMAC. State expenditures from the Marine Resources Stewardship Trust Account on projects and activities relating to the state's coastal waters must be made, to the maximum extent possible, consistent with WCMAC's recommendations. If they are not, the responsible agency receiving the appropriation must provide WCMAC and appropriate legislative committees a written explanation.

Creating the Washington Marine Resources Protection Advisory Council (Council). The Council is created within the Office of the Governor, with specified membership that includes legislators. Among other things, the Council's duties are to advise and work with UW and others to conduct ongoing technical analysis on the effects and sources of ocean acidification. The Council expires June 30, 2017.

**Votes on Final Passage:**

Senate 40 9  
House 82 14

**Effective:** July 28, 2013

**ESB 5607**

C 237 L 13

Concerning beer, wine, and spirits theater licenses.

By Senators Harper, Hewitt, Kohl-Welles and Kline.

Senate Committee on Commerce & Labor  
House Committee on Government Accountability & Oversight

**Background:** Nonprofit arts organizations can obtain a liquor license to sell liquor to patrons on the premises at sponsored events, which are approved by the Liquor Control Board (LCB). The fee for such a license is \$250 per year. A nonprofit arts organization is one which provides artistic or cultural exhibitions, or performances or art education programs for attendance by the general public. It

must meet legal requirements for a not-for-profit corporation and must satisfy specific conditions set by the LCB.

Artistic or cultural exhibitions, presentations or performances, or cultural or art education programs are specifically defined and limited in statute.

Theater is defined in statute as an establishment in which feature motion pictures are regularly exhibited to the public for an admission charge.

**Summary:** A theater beer, wine, and spirits license is created. In order to obtain a theater beer, wine, and spirits license from the LCB, a theater must have no more than 120 seats per screen, provide tabletop accommodations for in-theater dining, and comply with the same meal preparation and service requirements as restaurant licensees. The annual fee is \$2,000 and permits theaters to sell beer, wine, and spirits to be consumed on theater premises. An alcohol control plan must be submitted to the LCB at the time of application for the license; if minors will ever be present at the theater.

An applicant for a theater license must submit an alcohol control plan to the LCB that shows where alcohol is permitted, where and when minors are permitted, and what measures will be taken to ensure the minors will not be able to get alcohol or will not be exposed to areas where drinking alcohol predominates. The LCB must adopt rules regarding alcohol control plans.

Theater is defined as a place of business where motion pictures or other primarily nonparticipatory forms of entertainment are shown.

Subject to specified conditions, theater licensees that are federally designated nonprofits exempt from taxation under 26 U.S.C 501(c)(3) are permitted to enter into agreements with a liquor industry member for purposes of brand advertising at the theater. Such an agreement is an exception to the general statutory prohibition against a liquor industry member advancing money or other valuable consideration to a retailer. Agreements are subject to a LCB audit.

The maximum for certain penalties for violations involving minors or failure to follow the alcohol control plan are doubled. Servers are required to hold a class 12 or class 13 server permit.

**Votes on Final Passage:**

Senate 36 13  
House 84 11 (House amended)  
Senate 38 9 (Senate concurred)

**Effective:** July 28, 2013

**SSB 5615**

C 298 L 13

Concerning the health professional loan repayment and scholarship program.

By Senate Committee on Higher Education (originally sponsored by Senators Frockt, Becker, Cleveland, Keiser, Kohl-Welles, Schlicher, Kline, Conway and Chase).

Senate Committee on Health Care  
Senate Committee on Higher Education  
House Committee on Higher Education  
House Committee on Appropriations Subcommittee on Education

**Background:** The health professional loan repayment and scholarship program was created for credentialed health professionals serving in health professional shortage areas. The program is administered by the Student Financial Assistance Office (Office), which is overseen by the Washington Student Achievement Council (WSAC).

A health professional shortage area is defined as those areas where health care professionals are in short supply as a result of geographic maldistribution or as the result of a short supply of 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.

In administering the health professional loan repayment and scholarship program, the Office must:

- 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;
- adopt rules and develop guidelines to administer the program;
- collect and manage repayments from participants who do not meet their service obligations under this chapter;
- publicize the program, particularly to maximize participation among individuals in shortage areas and among populations expected to experience the greatest growth in the workforce;
- solicit and accept grants and donations from public and private sources for the program; and
- develop criteria for a contract for service in lieu of the service obligation where appropriate, that may be a combination of service and payment.

The Office must also create a planning committee to assist it in developing criteria for the selection of participants. The committee includes representatives from the Department of Health, the Department of Social and Health Services (DSHS), health care facilities, provider groups, consumers, the State Board for Community and

Technical Colleges, the Superintendent of Public Instruction, and other agencies and organizations.

The Office, in consultation with DSHS, must: establish annual award amounts for each credentialed health care profession which must be based upon an assessment of reasonable annual eligible expenses involved in training and education for each health care profession; determine any scholarship awards for prospective physicians in such a manner to require the recipients to declare an interest in serving in rural areas of Washington; establish the required service obligation for each health care profession; determine eligible education and training programs for purposes of the scholarship portion of the program; and honor loan repayment and scholarship contract terms.

A federally qualified health center is a reimbursement designation from the Bureau of Primary Health Care and the Centers for Medicare and Medicaid Services of the United States Department of Health and Human Services. Examples of such a health center include community health centers, migrant health centers, health care for the homeless programs, and public housing primary care programs.

**Summary:** The Office must contract with a fundraiser, who is not a registered state lobbyist, to solicit and accept grants and donations from private sources for the program. The Office must use a competitive process to choose the fundraiser and the fundraiser may be paid on a sliding scale, but by no more than a maximum of 15 percent out of those raised funds.

Medical and dental students that are serving residencies are added as possible recipients of the program.

**Votes on Final Passage:**

Senate	46	1	
House	73	21	(House amended)
Senate	48	0	(Senate concurred)

**Effective:** July 28, 2013

**ESB 5616**

C 299 L 13

Concerning the use of farm vehicles on public highways.

By Senators Sheldon, Smith, Schoesler, Hargrove, Hatfield, Hewitt and Shin.

Senate Committee on Transportation  
House Committee on Transportation

**Background:** Farm vehicles that are used incidentally on public highways are exempt from vehicle registration, but a farmer must apply for a farm exempt decal. A farm exempt decal must be displayed on the farm vehicle so that it is clearly visible from outside the vehicle. A farm exempt decal allows a farm vehicle to be operated within a 15-mile radius of the farm where it is principally used or garaged.



## ESB 5620

**Summary:** A farm exempt vehicle may be used incidentally on public highways within 25 miles of the farm where it is principally used to travel between farms or other locations to engage in activities that support farming operations.

Farm exempt decals must be visible from the rear of the vehicle.

**Votes on Final Passage:**

Senate	49	0	
House	93	0	(House amended)
Senate	48	0	(Senate concurred)

**Effective:** July 28, 2013

## ESB 5620

C 14 L 13

Changing school safety-related drills.

By Senators King and McAuliffe.

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

**Background:** Schools must conduct no less than one safety-related drill each month that school is in session. Schools must complete no less than one drill using the school mapping system, one drill for lockdowns, one drill for shelter-in-place, and six drills for fire evacuation in accordance with the state fire code. Schools are asked to consider drills for earthquakes, tsunamis, or other high-risk local events. Schools must document the date and time of such drills.

**Summary:** The number of certain safety-related drills that a school must conduct is changed. Schools must now complete three drills for lockdowns, three drills for fire evacuation, one drill for school mapping information systems, one drill for shelter-in-place, and one safety-related drill to be determined by the school.

**Votes on Final Passage:**

Senate	49	0
House	96	1

**Effective:** July 28, 2013

## 2SSB 5624

C 55 L 13

Aligning high-demand secondary STEM or career and technical education programs with applied baccalaureate programs.

By Senate Committee on Ways & Means (originally sponsored by Senators McAuliffe, Litzow, Shin, Kohl-Welles, Hasegawa, Rolfes, Hobbs, Becker, Frockt, Chase, Eide and Conway).

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

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

**Background:** The State Board for Community and Technical Colleges (SBCTC) is authorized to select community or technical colleges to develop and offer programs of study leading to applied baccalaureate degrees.

Colleges selected by SBCTC to offer an applied baccalaureate degree must demonstrate the capacity to make a longer-term commitment of resources to build and sustain a high-quality program; have faculty appropriately qualified to develop and deliver high-quality curriculum; demonstrate demand by students and employers; and fill a gap in options available for students because it is not offered by a public four-year institution of higher education in the college's geographic area. Currently, community and technical colleges offer thirteen applied bachelors' degrees at eight colleges.

The Superintendent of Public Instruction (SPI) must employ a statewide director for math, science, and technology. The director has specific duties, including to collaborate with community and technical colleges and four-year institutions of higher education in conducting outreach efforts to attract middle and high school students to careers in math, science, and technology and to educate students about the coursework that is necessary to be prepared to succeed in these fields.

**Summary:** The statewide director for math, science, and technology employed by SPI must work with SBCTC to develop high-demand applied baccalaureate programs that align with high-quality secondary science, technology, engineering, and math (STEM) programs and career and technical education (CTE) programs, subject to available funding.

Subject to the availability of amounts appropriated for this specific purpose and in addition to other applied baccalaureate degree programs, pursuant to state law on applied baccalaureates, SBCTC must select colleges to develop and offer two programs that support the continuation of high-quality STEM or CTE programs offered to students in kindergarten through grade 12 who are prepared and aspire to continue in these high-demand areas in college and the workforce. Selected colleges for the new high-demand applied baccalaureate degrees may only develop curriculum and design and deliver courses subject to available funding.

**Votes on Final Passage:**

Senate	48	1
House	57	38

**Effective:** July 28, 2013

## SB 5627

C 56 L 13

Concerning the taxation of commuter air carriers.

By Senators Eide, Parlette, Ranker, Shin and Litzow.

Senate Committee on Transportation  
Senate Committee on Ways & Means  
House Committee on Finance

**Background:** There are currently three separately-owned airplane operations in Washington that meet the federal definition of a commuter air carrier, which is a company that transports people, property, or mail on aircraft that have less than 60 seats and have a least five scheduled flights a week. One of these companies is located primarily on private property.

Aircraft subject to the state aircraft excise tax are exempt from paying personal property tax. The aircraft excise tax varies by the type of aircraft and ranges from \$20 for a home-built aircraft up to \$125 for a turbojet, multi-engine, fixed-wing plane. Under current law, commercial aircraft engaged principally in commercial flying that constitutes interstate or foreign commerce are subject to Washington State personal property taxes, and not the aircraft excise tax.

Personal property taxes are deposited into the state general fund, while the aviation excise tax is split 10 percent to the state aeronautics account and 90 percent to the state general fund.

**Summary:** A commuter air carrier is defined to be consistent with the federal definition of a commuter air carrier. The definition includes carrying passengers on at least five scheduled round trips per week, with the details of time, day, and route being part of a published schedule. Commuter air carriers that are located primarily on private property are excluded from the definition of an airplane company.

A separate schedule for commuter air carriers that are not considered airplane companies is added to the aircraft excise tax statutes, with payment amounts based on weight and ranging from \$500 to \$4,000 per year.

An aircraft that is owned and operated by a commuter air carrier which is located primarily on private property, and is subject to and has paid the aircraft excise tax, is exempt from property tax.

**Votes on Final Passage:**

Senate	41	8
House	71	22

**Effective:** January 1, 2014

## SSB 5630

C 300 L 13

Implementing recommendations of the adult family home quality assurance panel.

By Senate Committee on Health Care (originally sponsored by Senators Bailey, Keiser, Becker, Conway and Frockt).

Senate Committee on Health Care  
House Committee on Health Care & Wellness  
House Committee on Appropriations Subcommittee on Health & Human Services

**Background:** In 2011, the Legislature passed ESHB 1277, relating to the oversight of licensed or certified long-term care settings for vulnerable adults. The bill required the Department of Social and Health Services (DSHS) to 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 ombuds chaired the panel and identified appropriate stakeholders to participate. The panel considered inspection, investigation, public complaint, and enforcement issues as they relate to adult family homes. The panel also focused on oversight issues to address de minimus violations, processes for handling unresolved citations, and better ways to oversee new providers. The panel was required to 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.

Adult family homes are regulated by DSHS. Providers and resident managers of adult family homes that serve residents with special needs such as dementia, developmental disabilities, or mental illness must complete specialty training before admitting or serving these residents. Specialty training includes core knowledge and skills that providers and resident managers need to safely provide care to residents with special needs.

DSHS may refuse to license or may suspend the license of an adult family home if it finds the home has violated state laws or rules regarding its regulation or if it has interfered with a DSHS investigation. DSHS may also issue a stop placement order under which a home may not admit new clients until the order is terminated. The stop placement order will be terminated when violations have been corrected, and the provider exhibits the capacity to maintain the correction.

**Summary:** The specialty training required of providers and resident managers is also required of caregivers, defined as those who give hands-on personal care on behalf of an adult family home. DSHS must determine whether existing specialty training courses are adequate to meet the special needs of residents with dementia, developmental disabilities, or mental illness. DSHS may adopt rules to enhance the existing specialty training requirements and

update these requirements based on its review. This includes determining whether additional specialty training categories should be created for adult family homes serving residents with other special needs such as traumatic brain injury, skilled nursing, or bariatric care.

Adult family homes must disclose the scope of care, services, and activities provided by the home or customarily arranged for by the home. Items to be disclosed include the scope of personal care and medication service provided, the scope of skilled nursing services or nursing delegation provided, any specialty care designations held by the home, the customary number of caregivers present during the day and whether the home has awake staff at night, any available cultural or language access, and whether the home admits Medicaid clients or retains residents who later become eligible for Medicaid. The adult family home's specific charges for its care, services, items, and activities must also be disclosed.

Adult family homes must provide at least 30 days' notice before a decrease in the scope of care, services, or activities it provides. Increases in scope of care, services, or activities must be promptly communicated to residents in writing and include the date on which the increase is effective. If the adult family home increases services to meet the needs of a resident, it is not required to provide the same care or services to other residents. Adult family homes may deny admission to prospective residents if the home determines that the needs of the prospective resident cannot be met.

DSHS must work with stakeholders to improve existing resources to create a user-friendly website for family members, residents, and prospective residents of adult family homes in Washington. The website should have links to the following: explanations of the types of licensed long-term care facilities, levels of care, and specialty designations; lists of suggested questions to ask when looking for a care facility; warning signs of abuse, neglect, or financial exploitation; contact information for DSHS and the long-term care ombuds; a searchable list of all adult family homes in the state; links to inspection reports and enforcement actions of adult family homes for the previous three years; and each adult family home's disclosure form. If a violation or enforcement remedy is modified, DSHS must change that information on its website within 30 days. Additionally, DSHS should also include on its website periodically updated information about vacancies in adult family homes or include links to other websites with that information.

An adult family home that corrects a deficiency during an inspection will not have the deficiency included in the home's compliance history if the deficiency is not recurring and did not pose a significant risk of harm to a resident.

**Votes on Final Passage:**

Senate	49	0	
House	97	0	(House amended)

Senate 48 0 (Senate concurred)

**Effective:** July 28, 2013

**SSB 5634**

C 15 L 13

Clarifying the department of natural resources' authority to enter into cooperative agreements.

By Senate Committee on Natural Resources & Parks (originally sponsored by Senators Rolfes, Hargrove, Nelson, Kline, Fain, Hobbs, Fraser, Parlette and Pearson; by request of Department of Natural Resources).

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

**Background:** The Department of Natural Resources (DNR) manages nearly three million acres of uplands and over two million acres of aquatic lands. Although each of the individual land holdings are managed by DNR for a specific benefit or purpose, the concept of multiple use management overlays all of the DNR-managed land.

The idea of multiple use means the provision of several uses simultaneously on the same tract of land. Outdoor recreation, in all of its various forms, is one of the multiple uses that DNR must provide when the recreation does not negatively impact the underlying land management purposes. Accordingly, many lands managed by DNR are used for hunting, fishing, hiking, camping, and ORV use.

In implementing the multiple use mandates, DNR is authorized to plan, construct, and operate recreational areas, trails, and facilities by itself or in conjunction with public agencies. It is also authorized to plan, construct, and operate facilities for educational, scientific, or experimental purposes in conjunction with public or private agencies. DNR may enter into contracts, leases, or other agreements as necessary to implement this authority.

**Summary:** DNR is provided specific authority to enter into agreements with certain non-state entities to assist DNR with implementing its multiple use mandates, compliance with local ordinances, and the fostering of aquatic lands uses. These agreements must be consistent with the land management obligations of DNR.

DNR may enter into these cooperative agreements with individuals and certain nonprofit organizations or other volunteer groups. These organizations include those registered under section 501(c)(3) of the Federal Internal Revenue Code, other non-profit groups organized for the public benefit, and groups comprised of volunteers.

DNR may utilize the services of these groups to plan, construct, and operate recreational areas, trails, and facilities for educational, scientific, or experimental purposes or for other purposes that provide a benefit to lands managed by DNR. These other purposes may include the following:

- carrying out restoration and enhancement projects;

- enhancing watershed conditions; and
- providing vegetation management, including the removal of non-native vegetation.

DNR may receive gifts of personal property, services, or other items of value to help fund their various mandates and as consideration for entering into a cooperative agreement.

**Votes on Final Passage:**

Senate	47	0
House	91	6

**Effective:** July 28, 2013

**ESSB 5644**

C 12 L 13 E 2

Concerning license issuance fees of former contract liquor stores, former state store auction buyers, and spirits distributors.

By Senate Committee on Commerce & Labor (originally sponsored by Senators Schoesler and Murray).

Senate Committee on Commerce & Labor  
Senate Committee on Ways & Means

**Background:** When Initiative 1183 (I -1183) was approved by the voters in November 2011, the sale and distribution of spirits became privatized. I-1183 required spirits distributors to pay a license issuance fee of 10 percent of the total revenue from sales of spirits for an initial period of two years (24 months), and thereafter the fee is 5 percent. The initiative required spirits retail licensees to pay a license issuance fee of 17 percent of all spirits sales revenue under the license to the Liquor Control Board for deposit into the liquor revolving fund. This is in addition to other liquor liter and sales taxes. The initiative permitted a spirits retail licensee to sell spirits to retailers licensed to sell spirits for on-premises consumption, such as bars and restaurants.

Article II, section 41 of the Washington State Constitution provides that an initiative passed by the people may not be amended within the first two years following enactment, except by a two-thirds vote of both the House of Representatives and the Senate.

**Summary:** Spirits distributors are required to pay the distributor licensing fee of 10 percent for 3 additional months (for a total of 27 months).

The license issuance fee of 17 percent does not apply to a licensee or their successor that was a contract liquor store manager, for sales of spirits to bars and restaurants. Nor does the 17 percent license issuance fee apply to a licensee or their successor that was a former state store auction buyer, for sales of spirits to bars and restaurants. These provisions take effect immediately.

**Votes on Final Passage:**

Second Special Session

Senate	41	5
House	77	5

**Effective:** June 30, 2013

**ESB 5666**

C 301 L 13

Concerning health care quality improvement measures.

By Senator Dammeier.

Senate Committee on Health Care  
House Committee on Judiciary

**Background:** Hospitals must maintain a coordinated Quality Improvement Program (Program) that includes the following: the establishment of a Quality Improvement Committee to oversee the services rendered in the hospital; a medical staff privileges sanction procedure through which credentials, physical and mental capacity, and competence in delivering health care services are periodically reviewed; the periodic review of the credentials, physical and mental capacity, and competence in delivering health care services of all other persons employed by the hospital; a procedure for the prompt resolution of grievances by patients related to accidents, injuries, and other events related to medical malpractice claims; and the maintenance and collection of information concerning the hospital's experience with negative health care outcomes. Information created specifically for a Program is not subject to disclosure or discovery or introduction into evidence in a civil action.

The federal Health Care Quality Improvement Act (HCQIA) provides immunity from damages for actions taken by a professional review body related to the competence and conduct of a health care practitioner.

Before granting or renewing clinical privileges, a hospital or ambulatory surgical facility must request physicians to provide information on any hospital at which the physician had any association, and if discontinued, the reason for its discontinuation. Information on any medical malpractice action must also be provided. Hospitals or ambulatory surgical facilities supplying this information are not liable in a civil action for the release of this information.

**Summary:** If immunity from damages under HCQIA does not apply, the only remedies available in a lawsuit by a health care provider for any action taken by a professional peer review body of health care providers, are appropriate injunctive relief and damages for lost earnings directly attributable to the action taken by the professional review body. The requirement that a lawsuit by a health care provider for any action be based on matters not related to the competence or professional conduct of a health care provider is removed.

Health care professional review bodies may establish one or more quality improvement committees. Different committees may be established as a part of a Program to review different health care services. The Program must also include a process conducted in accordance with medical staff bylaws and rules through which professional conduct will be reviewed as part of an evaluation of staff privileges of health care providers. Before granting or renewing clinical privileges, a hospital or ambulatory surgical facility must request a physician to provide the names of health care facilities with which the physician has been associated for the last five years. The facility may request information older than five years and the physician must use the physician's best efforts to comply with the request. The physician must also disclose any adverse action relating to membership in a professional organization.

**Votes on Final Passage:**

Senate	49	0	
House	96	0	(House amended)
Senate			(Senate refused to concur/asked House for conference)

Conference Committee:

House	98	0
Senate	47	0

**Effective:** July 28, 2013

**ESSB 5669**

C 302 L 13

Concerning trafficking.

By Senate Committee on Law & Justice (originally sponsored by Senators Padden, Kohl-Welles, Smith, Hargrove, Pearson, Darneille, Bailey, Nelson, Becker, Benton, Brown, Baumgartner, Conway, Roach and Holmquist Newbry).

Senate Committee on Law & Justice  
House Committee on Public Safety

**Background:** Communication with a minor for immoral purposes is a gross misdemeanor. However, it is a class C felony if the offense is committed by the sending of an electronic communication.

The possible use of consent of the minor as a defense is not currently addressed for the crimes of commercial sexual abuse of a minor, promoting commercial sexual abuse of a minor, promoting travel for the commercial sexual abuse of a minor, permitting commercial sexual abuse of a minor, trafficking in the first and second degree, or indecent liberties.

The offenses of trafficking in the first or second degree require knowledge that force, fraud, or coercion will be used to cause the person to engage in forced labor, involuntary servitude, a sexually explicit act, or a commercial sex act.

Offenders convicted of sex offenses or kidnapping or have been found not guilty by reason of insanity must register with the sheriff in the county in which they reside. The duration of the duty to register varies depending upon the felony classification of the crime. Failure to register when required is a sex offense upon the second conviction.

In a criminal proceeding, the court may order that a child under the age of ten may testify in a room outside the presence of the defendant and the jury while one-way closed-circuit television equipment simultaneously projects the child's testimony so the defendant and the jury can watch and hear the child testify in cases involving certain crimes against children. The prosecutor, defense attorney, and a neutral and trained victim's advocate, if any, must always be in the room where the child witness is testifying. The court in the court's discretion, depending on the circumstances and whether the jury or defendant or both are excluded from the room where the child is testifying, may or may not remain in the room with the child.

The state Criminal Profiteering Act provides civil penalties and remedies for a variety of criminal activities. Profiteering is defined to include the commission, or attempted commission, for financial gain, of any one of a number of crimes, including child selling or buying, sexual exploitation of children, and promoting prostitution. The act provides that a pattern of criminal profiteering activity means engaging in at least three acts of criminal profiteering within a five-year period. An injured person, the Attorney General, or the county prosecuting attorney may file an action to prevent or restrain a pattern of criminal profiteering and recover up to three times actual damages as well as the costs of suit. A civil penalty of up to \$200,000 may also be awarded. Each of the following may be subject to forfeiture as such:

- property used to commit the offenses;
- property acquired or maintained by profits from the offenses;
- property acquired or maintained by profits used to commit the offenses; and
- proceeds from the offenses.

A person is guilty of patronizing a prostitute if the person pays or agrees to pay a fee as compensation for sexual conduct. Patronizing a prostitute is a misdemeanor.

In proceedings for termination of a parent-child relationship, reasonable efforts to unify the family are not required if the court finds, by clear, cogent, and convincing evidence that aggravating circumstances exist. Conviction of the parent, when a child is born of the offense, of a sex offense or incest is an aggravating circumstance.

**Summary:** Communication with a minor for immoral purposes is a class C felony if the person communicates with a minor for immoral purposes, including the purchase or sale of commercial sex acts and sex trafficking, by the sending of an electronic communication. Consent of the minor is not a defense for the crimes of commercial sexual abuse of a minor, promoting commercial sexual abuse of a

minor, promoting travel for the commercial sexual abuse of a minor, permitting commercial sexual abuse of a minor, or trafficking in the first and second degree.

The offenses of trafficking in the first or second degree do not require actions with knowledge, or in reckless disregard of the fact, that force, fraud, or coercion will be used to cause the person to engage in a sexually explicit act or a commercial sex act if the victim of the offense is a minor. Evidence of a victim's past sexual behavior is not admissible if offered to attack the victim's credibility in trafficking and sexual exploitation of a minor cases.

Trafficking with a finding of sexual motivation is defined as a sex offense for the purposes of requiring registration as a sex offender.

In a criminal proceeding, the court may order that a child under the age of 14, instead of 10, may testify in a room outside the presence of the defendant and the jury by using closed-circuit television. The types of trials in which this testimony may be used is expanded to include trafficking and sexual exploitation of a minor.

Trafficking, promoting travel for the commercial sexual abuse of a minor, and permitting commercial sexual abuse of a minor are added as offenses that can lead to a criminal profiteering action.

In proceedings for the termination of a parent-child relationship when the court is determining whether reasonable efforts are required to unify the family, it is considered an aggravating circumstance if the parent has been convicted of trafficking or promoting commercial sexual abuse of a minor when the victim of the crime is the child, the child's other parent, a sibling of the child, or another child.

**Votes on Final Passage:**

Senate	49	0
House	96	0

**Effective:** August 1, 2013

**SB 5674**

C 238 L 13

Allowing wine and beer sampling at farmers markets.

By Senators Kohl-Welles, Smith, Hatfield, Conway, Schoesler, King, Hobbs, Murray, Keiser, Ranker, Harper, Hewitt and Rolfes.

Senate Committee on Commerce & Labor

House Committee on Government Accountability & Oversight

**Background:** SHB 1172, enacted in 2011, authorized a farmers market wine and beer tasting pilot program. The program permitted ten qualifying farmers markets to participate for a limited time period. Only one winery or microbrewery per day was permitted to offer samples. Samples were limited to two ounces or less with a total of

four ounces served to a customer per day. Sampling was offered from September 2011 to October 2012. A preliminary report by the Liquor Control Board (LCB) to the Legislature was published in December 2012.

As a result of the pilot program LCB recommended that:

- the pilot program be made permanent;
- additional farmers markets be allowed to participate;
- additional wineries and microbreweries be added;
- servers have a mandatory alcohol server permit;
- penalties be established to promote compliance with public safety; and
- consideration be given to expanding the definition of qualifying farmers market.

A qualifying farmers market must have at least 5 vendors who are farmers selling their own products. The gross annual sales of farmers must be greater than the combined gross annual sales of processors or resellers; and the combined gross annual sales of farmers, processors and resellers is greater than the total combined gross annual sales of vendors who are not farmers, processors, or resellers. No vendor can be a franchisee and the sale of imported or secondhand items is prohibited.

**Summary:** A qualifying farmers market can apply to LCB for an endorsement to allow sampling of wine, beer, or both. Wineries or microbreweries must have an endorsement from LCB to sell their products at a farmers market in order to offer samples. If a farmers market's combined gross annual sales of farmer vendors does not exceed the annual sales of other vendors, the farmers market may still be considered a qualifying farmers market for purposes of sampling if the total combined gross annual sales of vendors at the farmers market is \$1 million or more.

Up to a total of three wineries or microbreweries may offer samples at a farmers market per day. Samples must be two ounces or less, and each winery or microbrewery may provide a maximum of two ounces of wine or beer to a customer per day. Individuals serving samples must have a class 12 or 13 server permit. Food must be available for sampling customers. LCB may establish other requirements to prevent underage drinking. LCB may suspend a licensee's farmers market endorsement for up to two years for a public safety violation.

**Votes on Final Passage:**

Senate	41	8	
House	81	12	(House amended)
Senate	40	8	(Senate concurred)

**Effective:** July 28, 2013

SSB 5679  
C 30 L 13 E 2

Improving the business climate and stimulating job creation by requiring certain agencies to establish a formal review process of existing rules.

By Senate Committee on Ways & Means (originally sponsored by Senators Brown, Chase, King, Litzow, Dammeier, Schoesler, Rivers, Smith, Braun, Hewitt, Sheldon and Tom).

Senate Committee on Governmental Operations  
Senate Committee on Trade & Economic Development  
Senate Committee on Ways & Means  
House Committee on Government Operations & Elections  
House Committee on Appropriations

**Background:** The State Auditor’s Office (SAO) conducts state government audits, local government audits, and performance audits. On September 6, 2012, the SAO released the performance audit Regulatory Reform: Communicating Regulatory Information and Streamlining Business Rules. Within the audit, the SAO noted that for at least 20 years, federal and state regulatory reforms have included efforts to streamline rules to reduce the regulatory burden on businesses, cut costs, and increase compliance. The SAO sought to determine whether agencies had rule review processes consistent with past executive orders. The SAO found that three of the agencies that do review their rules for streamlining do not do so consistent with executive orders. These agencies were the departments of Ecology, Health, and Labor and Industries.

**Summary:** The departments of Ecology, Health, and Labor and Industries must each perform a formal review process of existing rules every five years. The review must occur within existing funds. The objective of the review is to improve the processes for licensing, permitting, and inspection in a manner that reduces the regulatory burden on businesses without compromising public health and safety. Benchmarks must be used for the assessment of streamlining efforts. A process to sunset rules must be established. Reports to the Legislature are due by January 2014.

**Votes on Final Passage:**

Senate 49 0

Second Special Session

Senate 48 0

House 87 2

**Effective:** September 28, 2013

ESSB 5681  
C 303 L 13

Facilitating treatment for persons with co-occurring disorders by requiring development of an integrated rule.

By Senate Committee on Human Services & Corrections (originally sponsored by Senators Rolfes and Keiser).

Senate Committee on Human Services & Corrections  
House Committee on Health Care & Wellness

**Background:** The Department of Social and Health Services (DSHS) licenses and performs certification audits for service providers in the fields of mental health and chemical dependency. Minimum standards for the certification of agencies and facilities that provide these services are established in the Washington Administrative Code. The minimum standards that apply to providers in the chemical dependency and mental health fields differ in various ways.

In the past, agencies and facilities that provide simultaneous mental health and chemical dependency to clients with co-occurring chemical dependency and mental health disorders sometimes faced the burden of having to comply simultaneously with multiple regulatory schemes. Some providers of treatment to persons with co-occurring disorders in Washington received waivers from DSHS that allow the provider to comply with only one set of regulations with respect to these clients as long as certain other standards are met.

Following a stakeholder process, DSHS proposed a new set of regulations in late 2012 that are currently undergoing public comment and review. These proposed regulations would consolidate and standardize many of the rules applicable to mental health and chemical dependency providers, but do not go as far as providing a single, consistent body of rules applicable to providers of simultaneous mental health and chemical dependency treatment to clients with co-occurring chemical dependency and mental health disorders.

**Summary:** Any licensed mental health agency that has a waiver from DSHS exempting the agency from chemical dependency rules for services provided to patients with co-occurring mental health and chemical dependency disorders as of January 1, 2013, may request and must receive a three-year renewal of the waiver if a fully integrated rule is not in effect by May 1, 2014.

**Votes on Final Passage:**

Senate 47 0

House 97 0

**Effective:** July 28, 2013

**SB 5692**

C 304 L 13

Concerning standby guardians and standby limited guardians.

By Senators King, Harper, Conway, Eide and Tom.

Senate Committee on Law & Justice  
House Committee on Judiciary

**Background:** A guardian is appointed by the court to make decisions on behalf of an incapacitated person. A guardian can be appointed to manage the affairs of the person, the estate, or both. The person can be appointed as a full guardian or a limited guardian. A limited guardianship is created when the court allows an incapacitated person to retain certain rights. A standby guardian is a person who acts as the guardian when the primary guardian is unavailable.

Within 90 days of appointment by the court, a guardian must file a notice designating a standby guardian to serve as guardian at the death or legal incapacity of the court-appointed guardian. Notice must be given to the standby guardian, the incapacitated person and incapacitated person's family, the facility where the incapacitated person resides – if applicable, and any person entitled to receive special notice or pleadings.

The standby guardian has the all the powers, duties, and obligations of the regularly appointed guardian. Within 30 days of the death or adjudication of the regularly appointed guardian, the standby guardian must file a petition for appointment of a substitute guardian in the superior court where the guardianship is being administered.

Upon the court's appointment of a new, substitute guardian, the standby guardian must make an accounting and report for approval by the court. Upon approval by the court, the standby guardian must be released from all duties and obligations arising from or out of the guardianship or limited guardianship.

**Summary:** A standby guardian may serve as the guardian during a planned absence of the court-appointed guardian. If the appointed guardian dies or becomes incapacitated, the standby guardian must have all the powers, duties, and obligations of the court-appointed guardian. The notice that a standby guardian must provide upon appointment includes the incapacitated person's spouse or domestic partner and adult children, and anyone who requested special notice.

A standby guardian may assume some or all of the duties, responsibilities, and powers of the guardian during the guardian's planned absence. Prior to the guardian's planned absence and to the standby guardian assuming the duties, responsibilities, and powers, the guardian must file a petition in the superior court where the guardianship is being administered stating the dates of the planned absence and the duties, responsibilities, and powers the standby guardian should assume. The guardian must give

notice of the planned absence petition to the standby guardian, the incapacitated person and that person's spouse or registered domestic partner and adult children, any facility in which the incapacitated person resides, and any person who requested special notice.

Upon the conclusion of the hearing on the planned absence petition, and a determination by the court that the standby guardian meets the qualification requirements to act as a guardian, the court must issue an order specifying the following: (1) the amount of bond to be filed by the standby guardian; (2) the duties, responsibilities, and powers the standby guardian will assume during the planned absence; (3) the duration that the standby guardian will be acting; and (4) the expiration date of the letters of guardianship to be issued to the standby guardian.

Upon the court's approval of the standby guardian, letters of guardianship must be issued to the standby guardian upon filing an oath and posting a bond. The standby guardian must give notice of their appointment to the incapacitated person and that person's spouse or domestic partner and adult children, any facility in which the incapacitated person resides, and any person who requested special notice. The provisions governing bonds posted by regularly appointed guardians apply to standby guardians.

**Votes on Final Passage:**

Senate	48	0	
House	95	0	(House amended)
Senate	47	0	(Senate concurred)

**Effective:** July 28, 2013

**ESB 5699**

C 305 L 13

Concerning electronic product recycling.

By Senators Ericksen and Kline.

Senate Committee on Energy, Environment & Telecommunications

House Committee on Environment

**Background:** The E-Cycle program provides free recycling of a covered electronic product (CEP), which includes computers, monitors, laptops, and televisions, for households, charities, small businesses, school districts, and small governments.

Manufacturers of CEPs include entities that:

- have legal ownership of the brand, brand name, or cobrand of a CEP;
- import a CEP branded by a manufacturer that has no physical presence in the United States; and
- sell at retail an imported CEP and chooses to register in place of the manufacturer.

All manufacturers of a CEP sold, or previously sold, in or into the state must participate in a recycling plan that



provides for collecting, transporting, and recycling of CEPs. Manufacturers are automatically included as participants in the standard plan. If certain criteria are met, a manufacturer or group of manufacturers may implement their own independent plan.

The Department of Ecology (Ecology) reviews all plans for compliance and operation, and enforces the E-Cycle law. The Washington Materials Management and Financing Authority (WWMFA), created under the E-Cycle law, is responsible for implementing the standard plan. The membership of WWMFA is comprised of participating manufacturers of CEPs who are not participating in an independent plan.

WWMFA duties and operations are funded by participating manufacturers. WWMFA assesses a charge, based on return share, market share, or a combination of the two, to each manufacturer to cover the costs of collecting, transporting, and recycling of its equivalent share of CEPs. The return share is the percentage by weight of CEPs collected during the year through the E-Cycle program. Market share is the percentage by weight of CEPs sold in the state.

**Summary:** Beginning in 2016, funding of E-Cycle programs are based on market share. Ecology may determine the market share for CEPs based on manufacturer and retailer-supplied data, as well as available market research data. The method to determine market share is provided. The sales information is exempt from public disclosure.

An entity may assume the responsibility of another manufacturer beginning in 2016, as well as register in lieu of that entity with Ecology.

The E-Cycle program provisions are revised to reflect the use of market share beginning in 2016.

**Votes on Final Passage:**

Senate	46	3	
House	87	6	(House amended)
Senate	48	0	(Senate concurred)

**Effective:** January 1, 2014

**2ESB 5701**

C 163 L 13

Authorizing penalties based on the fraudulent submission of tests for educators.

By Senators Brown, Fain, Rivers, Dammeier and Cleveland.

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

**Background:** Revocation of School Employee Certificates or Permits. Certificated school employees may have their certificate or permit revoked or suspended upon a criminal records request report authorized by law, or upon the complaint of any school district superintendent, Educational Service District superintendent, or private school

administrator for immorality, a violation of written contract, unprofessional conduct, intemperance, or a crime against the law of the state. School district superintendents, Educational Service District superintendents, or private school administrators may file a complaint concerning a certificated employee containing a written complaint with the grounds and factual basis upon which they believe an investigation is warranted by the Office of Superintendent of Public Instruction (OSPI). The Office of Professional Practices (OPP) is the specific office within OSPI that investigates these complaints.

Once an investigation begins at OPP, investigators review the allegations, gather evidence, and present the case to an administrator for a decision. Outcomes of these investigations include the following: dismissal of the complaint; reprimand of the employee, which leaves the certificate valid, but does admonish the educator to not repeat the behavior or conduct; suspension of the employee, which invalidates the certificate for a specified period of time and may have some requirements for reinstatement; revocation of the certificate, which places the burden of proof on the employee to show good moral character and personal fitness to have their certificate reinstated.

Educators may appeal decision to OSPI's Informal Review Committee, which is comprised of nine educators: three teachers, three administrators, and three Educational Staff Associates. Further appeal can be made to an Administrative Law Judge and superior court.

**Summary:** Revocation of Certificate or Permit for Fraudulent Test Submissions. The Professional Educator Standards Board (PESB) is added to the list of persons or organizations that may make a complaint to OSPI that could lead to the suspension or revocation of a certificated school employee's certificate or permit, or a reprimand.

Any certificated school employee may have their permit or certificate revoked or suspended based upon a complaint from PESB alleging unprofessional conduct in the form of a fraudulent submission of a test for educators, or they may alternatively be reprimanded. PESB must issue to OSPI a written complaint alleging the grounds and factual basis upon which PESB believes an investigation should be conducted. Any certificated school employee whose certificate is in question based on PESB's allegation must have the right to be heard and appeal.

**Reprimand.** Reprimand is added as a remedy PESB, OSPI, and OPP may pursue when investigating certificated school employees for submitting fraudulent test scores.

**Votes on Final Passage:**

Senate	46	0	
Senate	49	0	(Senate reconsidered)
House	97	0	

**Effective:** July 28, 2013

**SSB 5702**

C 307 L 13

Concerning aquatic invasive species.

By Senate Committee on Natural Resources & Parks (originally sponsored by Senators Honeyford, Pearson and Ranker).

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

**Background:** Aquatic Invasive Species (AIS) Enforcement. Under current statute, anyone that has used a commercial or recreational watercraft in certain states or countries must have documentation that the watercraft has been inspected for invasive species when they enter Washington. This applies when the watercraft has been used in an area designated as an AIS state or country by rule of Department of Fish and Wildlife (DFW). Currently there are no such states or countries designated by DFW.

DFW may require anyone transporting a watercraft to stop at a check station. Check stations must be plainly marked and operated by at least one DFW Officer. A person with a watercraft used in an AIS state or country or that is contaminated with invasive species must bear the expense for any necessary impoundment, transportation, or decontamination. However, a person who stops at a check station and complies with DFW directives is exempt from AIS-related criminal penalties and forfeiture.

The term watercraft refers to recreational or commercial boats as well as transportation-related and auxiliary equipment.

Aquatic Nuisance Species Committee (Committee). In 2000, the Legislature established the Committee consisting of a number of state natural resource agencies, in cooperation with tribes, federal agencies, and industry and conservation groups. The purpose of the Committee is to minimize the introduction of aquatic invasive species to the state, with special emphasis on prevention. The 2012 biennial report on the progress of the Committee recommends eliminating the Committee and continuing its work through the existing Invasive Species Council.

Invasive Species Council (Council). The Legislature established the Council in 2006 to provide policy-level direction, planning, and coordination regarding the prevention and control of invasive species issues in Washington. The statutory goals of the Council include serving as a forum for identifying and understanding invasive species, facilitating joint planning and cooperation among relevant entities, educating the public, and providing policy advice to the Legislature. Council membership consists of representatives from state and federal agencies, local governments, and other members invited by the Council.

**Summary:** Modifies AIS Documentation Requirement. Current law is modified to require a person who enters Washington by road and is transporting a watercraft used outside of the state to have documentation that the watercraft is free of AIS. This makes the documentation re-

quirement apply to watercraft used in any area outside of Washington, not just those areas specifically identified by DFW rule.

DFW must adopt rules to implement the documentation requirement, including identifying the types of allowable documentation. Language relating to DFW's AIS check station authority is modified consistent with the changes to the documentation requirement.

A new infraction is created for transporting watercraft into Washington by road without meeting the AIS documentation requirement.

Abolishes the Aquatic Nuisance Species Committee. In addition to the changes to AIS documentation requirements, the Committee is abolished.

**Votes on Final Passage:**

Senate	46	0
House	95	1

**Effective:** July 28, 2013

**SSB 5705**

C 239 L 13

Concerning amounts received by taxing districts from property tax refunds and abatements.

By Senate Committee on Governmental Operations (originally sponsored by Senators Brown, King and Hatfield).

Senate Committee on Governmental Operations  
House Committee on Finance

**Background:** Taxpayers must pay property taxes to county treasurers by April 30. However, if taxes and assessments on property total \$50 or more, taxpayers may pay one half of the total on or before April 30, and the remainder on or before October 31. If a taxpayer misses the April 30 deadline, taxes are delinquent and interest is charged at the rate of 12 percent per year – 1 percent per month. A penalty of 3 percent is assessed on taxes delinquent on June 1. An additional penalty of 8 percent is assessed on taxes delinquent on December 1.

County treasurers operate under the authority of various state statutes relating to the receipt, processing, and disbursement of funds. A county treasurer is the custodian of the county's money and the administrator of the county's financial transactions. In addition to the duties relating to county functions, county treasurers provide financial services to special purpose districts and other units of local government, including receipt, disbursement, investment, and accounting of the funds of each of these entities. County treasurers are responsible for the collection of various taxes, including legal proceedings to collect past-due amounts, and other miscellaneous duties such as conducting bond sales and sales of surplus county property. Currently, county treasurers annually report to taxing districts the amount of taxes that were refunded to individuals, with interest, and due to a tax exemption, determination by a

county board of equalization, or court order. County treasurers are not authorized to accept partial payment of delinquent property taxes.

Real property held by taxpayers who fail to pay property taxes is subject to foreclosure three years after the date of delinquency. County treasurers formally commence foreclosure proceedings by filing certificates of delinquency. Counties may recover costs of foreclosure proceedings that accrue after a certificate of delinquency is filed. These costs are credited to county treasurer operation and maintenance funds to defray costs of future foreclosure proceedings.

**Summary:** Taxes may be levied within a taxing district in order to reimburse a taxing district for taxes that were abated or cancelled, offset by any supplemental tax, in the next levy cycle. Any tax received to reimburse the taxing district for taxes that were abated or cancelled does not reduce the levy authority of that taxing district.

A county treasurer may authorize payment of past due property taxes, penalties, and interest on a monthly basis by electronic funds transfer. If a taxpayer is successfully participating in a payment agreement, the county treasurer may not assess additional penalties on delinquent taxes included in the payment agreement. Payments on past due taxes must include collection of taxes from the oldest delinquent year, which includes interest and taxes within a 12-month period. A county treasurer may add a delinquent tax collection charge for costs incurred by the treasurer.

A county treasurer may assess and collect tax foreclosure avoidance costs. Tax foreclosure avoidance costs are defined to include certain costs specifically identified with the administration of properties subject to, and prior to, foreclosure. Proceeds from the collection of tax foreclosure avoidance costs must generally be credited to the county treasurer service fund.

**Votes on Final Passage:**

Senate	49	0	
House	97	0	(House amended)
House	98	0	(House receded/amended)
Senate	47	0	(Senate concurred)

**Effective:** July 28, 2013

**ESSB 5709**

C 308 L 13

Concerning a pilot program to demonstrate the feasibility of using densified biomass to heat public schools.

By Senate Committee on Ways & Means (originally sponsored by Senators Smith, Ericksen, Sheldon, Holmquist Newbry, Dammeier, Brown and Roach).

Senate Committee on Energy, Environment & Telecommunications

Senate Committee on Ways & Means

House Committee on Environment

House Committee on Appropriations Subcommittee on Education

**Background:** Densified Biomass. According to the Washington State University (WSU) Energy Program, densified biomass is a solid biofuel pellet made of compressed sawdust and chipped wood that has a consistent quality, low moisture content, high energy density, and homogenous size and shape. Densification increases the energy density of biomass by approximately 10 to 15 percent, so more heat is produced per unit of pellets burned than if the same amount of raw wood was burned.

WSU Report. The 2012 supplemental operating budget required WSU to study densified biomass as a renewable fuel for heating homes, businesses, and other facilities in the state. WSU issued an early report in December 2012 that assessed the opportunities and challenges of developing a densified biomass industry in Washington. WSU expects to issue a more comprehensive report in early 2013.

The December 2012 report cites several opportunities for densified biomass fuel, such as environmental advantages over traditional fossil fuels, restoring healthy forests after pine beetle destruction, reducing the volumes of landfills, providing a less expensive alternative to heating homes in remote areas, and providing a valuable export commodity. The report also cites several challenges facing densified biomass, such as reduced fossil fuel prices, enhanced energy efficiency technologies, competition for biomass feedstock, and price volatility in the wood pellet marketplace.

Biomass Heating in Public Schools. In 2009, the Quillayute Valley School District received a \$1 million grant from the Energy Freedom Fund to purchase and install a wood-chip fired boiler for steam heat at Forks Middle and High School. The facility became operational in October 2010.

**Summary:** Creating a Densified Biomass Pilot Program and Requiring a Report. Subject to receiving federal and private funds for this purpose, by December 1, 2013, WSU must develop and initiate a pilot program to demonstrate the feasibility of using densified biomass to heat public schools. The pilot program must replace the current heating systems in two public schools with heating systems that use densified biomass as a fuel. One school must be in western Washington and the other school must be in an eastern Washington county that shares an international border or that borders the state of Idaho. WSU must measure and evaluate the heating systems, including a cost comparison with other conventional fuels and emission measurements.

WSU must use the following criteria when choosing one of the schools for the pilot program: (1) the school's proximity to a currently operating densified biomass manufacturing facility; (2) the age and condition of the school's current heating system; and (3) the school's de-

sign is of a nature that most resembles other schools of its class.

In designing the pilot program, WSU must seek to leverage other existing private and federal funding programs and resources. It may also contract with other entities for assistance in implementing the pilot program.

The Office of Superintendent of Public Instruction must notify all school districts about the pilot project and their opportunity to participate.

**Findings.** The Legislature finds, among other things, that clean-burning, renewable densified biomass leads the country to energy independence, stimulates the economy, reduces carbon emissions, promotes healthy forests, and is complimentary to other biofuel industries.

**Votes on Final Passage:**

Senate	46	0	
House	96	0	(House amended)
Senate	48	0	(Senate concurred)

**Effective:** July 28, 2013

**SB 5712**  
C 57 L 13

Encouraging community colleges to use, and inform students of the use of, multiple measures to determine the need for precollege courses.

By Senators Kohl-Welles, Bailey, McAuliffe, Frockt, Murray, Baumgartner and Keiser.

Senate Committee on Higher Education  
House Committee on Higher Education

**Background:** In 2010-11, of the 20,575 high school graduates that entered the community and technical college system, 57 percent, a total of 11,633, of these students enrolled in at least one precollege course. Fifty-one percent enrolled in a pre-college math class. Nineteen percent enrolled in writing classes. Eleven percent enrolled in a reading or coordinated reading and writing class. The non-college-level credits from precollege courses do not count toward a degree.

Currently, many colleges in Washington use placement assessments to place students in the appropriate course level. The COMPASS, which is computer adapted, and the ASSET, which is paper and pencil, are assessments that evaluate a student's skill level in reading, writing skills, writing essay, mathematics, and English as a Second Language. The ACCUPLACER is a suite of computer adaptive assessments in English, reading, and mathematics to also help determine course placement.

The State Board for Community and Technical Colleges (SBCTC) has general supervision and control over the state system of community and technical colleges. Currently, SBCTC has a number of initiatives in place to reform precollege education. One effort includes looking

at a variety of approaches and options for an assessment and placement system into precollege classes.

**Summary:** SBCTC must encourage colleges to use multiple measures to determine whether a student must enroll in a precollege course including, but not limited to, placement tests, the SAT, high school transcripts, college transcripts, or initial class performance.

SBCTC must also require colleges to post information about available options for course placement on their websites and in admissions materials.

**Votes on Final Passage:**

Senate	49	0
House	90	3

**Effective:** July 28, 2013

**SB 5715**  
C 309 L 13

Addressing the evasion of taxes by the use of certain electronic means.

By Senators Hill, Carrell and Hargrove.

Senate Committee on Ways & Means  
House Committee on Finance

**Background:** Any person doing business in Washington must obtain a master business license from the state. In addition, any person that engages in business must apply for a certificate of registration from the Department of Revenue (DOR) unless:

- gross income or sales from all taxable business activities is less than \$12,000;
- the business is not required to collect or pay any tax or fee which DOR is authorized to collect; and
- the business is not required to obtain an additional license with their master business license.

A business making a retail sale must collect sales tax from the purchaser and remit the tax to DOR. Sales tax receipts are legally considered trust funds of the state. A business that fails to remit collected sales tax receipts can be charged with a class C felony. In addition, any business that is found guilty of making false or fraudulent tax returns can be charged with a class C felony.

DOR can revoke the certificate of registration of any business if a tax warrant is not paid within 30 days after it has been filed or if a business is delinquent for three consecutive reporting periods of retail sales tax collected by the business. A certificate that has been revoked cannot be reinstated until the amount due on the warrant is paid, all taxes and penalties are paid, or DOR has approved provisions for payment.

An automated sales suppression device, known as phantom-ware or zipper-software, is a program that falsifies the electronic records or transactions of a point of sale system (POS) or cash register. Zipper software can be

plugged into a POS system using a USB drive or can be programmed into the system. In general, zipper software is most commonly used by cash-heavy businesses. It is not illegal to distribute or own zipper software in Washington.

**Summary:** Any person who commits electronic tax fraud using an automated sales suppression device or phantomware will be charged with a class C felony. Any person who provides an automated sales suppression device or phantomware to another person will be subject to an additional mandatory fine that is the greater of \$10,000 or the amount lawfully due from the person who received and used the device.

DOR has the authority to revoke the certificate of registration for any business found using an automated sales suppression device. In addition to current provisions in law, a business cannot have their certificate of registration reinstated unless they agree to have DOR monitor sales transactions through an electronic monitoring system, to be paid for by the business for five years.

Automated sales suppression devices or phantomware are considered contraband and are subject to seizure and forfeiture.

**Votes on Final Passage:**

Senate	49	0
House	97	0

**Effective:** July 28, 2013

**SSB 5718**  
C 31 L 13 E 2

Providing monitoring of the development of a one-stop portal for Washington businesses.

By Senate Committee on Trade & Economic Development (originally sponsored by Senators Brown, Chase, Smith, Braun, Carrell, Schlicher and Frockt).

Senate Committee on Trade & Economic Development  
House Committee on Technology & Economic Development

House Committee on Appropriations

**Background:** The state’s Office of the Chief Information Officer (OCIO) has been directed under Executive Order 12-01 to work collaboratively with the Department of Commerce (COM), the Department of Revenue (DOR), the Office of Regulatory Assistance (ORA), and other executive agencies that license businesses or collect taxes and insurance premiums. The Executive Order requires OCIO to review the needs of the business community and evaluate technical options for creating an integrated enterprise system using a single sign-on portal called MyAccount for business interactions with state agencies.

In November 2012, OCIO produced a report entitled MyAccount – Streamlining Business Transactions with Government. The report provides an action plan with a long-range vision for creating and implementing MyAc-

count, which businesses will be able to utilize to conduct all their interactions with state government in a single, web-based location. The plan outlines the high-level technological architecture and implementation steps necessary to achieve this streamlined project.

The implementation plan relies on a phased approach. Phase I of MyAccount includes building the system backbone, connecting core business systems into the backbone, and implementing a public-web facing web portal. The cost estimate for Phase I is between \$7 million and \$8 million, and if funded, it is projected to be operational in December 2015.

**Summary:** The Legislature intends to monitor the progress toward the development and implementation of the one-stop business portal. OCIO, in collaboration with DOR, the Department of Labor and Industries, the Secretary of State, the Employment Security Department, COM, and ORA, must provide the Legislature with a plan for establishing performance benchmarks, and for measuring the results of implementing a one-stop business portal by November 2013. The plan must specify how OCIO and other state agencies intend to collaborate with the business community in order to receive business feedback and use business recommendations in the development of the one-stop business portal.

OCIO must submit annual progress reports to the Legislature until the portal has reached initial implementation. The progress report must specify how OCIO and other state agencies are collaborating with the business community and using business recommendations in the development of the one-stop business portal. Initial implementation will be met when a system backbone is developed, specified agencies are connected to the backbone, and a public-facing web portal is developed. The first progress report is due to the Legislature by January 1, 2014.

The Act expires when initial implementation is reached or, if funding is not provided, after OCIO submits the first progress report.

**Votes on Final Passage:**

Senate	47	0
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Second Special Session

Senate	47	0
House	90	0

**Effective:** September 28, 2013

**ESSB 5723**

C 310 L 13

Authorizing enhanced raffles conducted by bona fide charitable or nonprofit organizations serving individuals with intellectual disabilities.

By Senate Committee on Commerce & Labor (originally sponsored by Senators Hewitt, Conway, Brown and Kline).

Senate Committee on Commerce & Labor  
House Committee on Government Accountability & Oversight

**Background:** Bona fide charitable and nonprofit organizations may legally conduct raffles when licensed to do so by the Washington State Gambling Commission (Commission), and the raffles are conducted pursuant to relevant rules and regulations. The cap on raffle ticket prices is \$100 per ticket, with a single prize limit of \$40,000 unless otherwise approved by the Commission. There is no limit on the number of regular raffles, though an organization must receive permission from the Commission to offer raffle prizes exceeding \$300,000 in a license year. Only members of the organization may take a role in the management and operation of the raffle, and the proceeds can only go to the organization. Ticket sales must be in person and must be paid for in full at the time of purchase.

**Summary:** Until June 2017, bona fide charitable and nonprofit organizations may conduct enhanced raffles if the primary purpose of the organization is serving individuals with intellectual disabilities. The Commission may approve four enhanced raffles per year, two in western Washington and two in eastern Washington. An enhanced raffle is a game in which a grand prize and smaller prizes are awarded on the basis of raffle ticket drawings.

Enhanced raffles are subject to the following conditions:

- the cap on individual ticket prices is \$250 per ticket;
- value of the grand prize is capped at \$5 million;
- ticket sales may be in person or by mail, fax, or telephone;
- raffle ticket order forms may be printed from the organization's website;
- multiple ticket packages may be purchased at a discount;
- multiple smaller prizes are authorized, including early bird, refer a friend, and multiple ticket drawing;
- for noncash prizes, the organization must demonstrate that the prize is available and that sufficient funds are available to purchase the noncash prize; and
- raffles must be independently audited.

Call centers may be licensed by the Commission to receive ticket sales, but the organization must be the primary recipient of the funds raised through the raffle. Receipts for sales including confirmation numbers, may be sent via

regular or electronic mail. Organizations must have a dedicated employee responsible for oversight of enhanced raffle operations and may hire a Commission-licensed consultant to run an enhanced raffle.

If ticket sales are insufficient to qualify for a complete enhanced raffle, the grand prize must be half of the net proceeds in excess of expenses. The winner may choose between an annuity or a cash payment.

The Commission must report back to the Legislature on enhanced raffles by December 2016.

**Votes on Final Passage:**

Senate	38	11	
House	94	2	(House amended)
Senate	36	12	(Senate concurred)

**Effective:** July 28, 2013

**2SSB 5732**

C 338 L 13

Concerning the adult behavioral health system in Washington state.

By Senate Committee on Ways & Means (originally sponsored by Senators Carrell, Darneille, Keiser and Pearson).

Senate Committee on Human Services & Corrections  
Senate Committee on Ways & Means  
House Committee on Health Care & Wellness  
House Committee on Appropriations

**Background:** Publically funded mental health services are delivered to adults and children in Washington through a wide variety of systems and programs. Research indicates that over 50 percent of adults meet diagnostic criteria for a behavioral health disorder during their lifetime. National studies indicate that the mortality rate is double for persons with mental illness. However, only 38 percent of persons with mental health disorders and 18 percent of persons with substance abuse disorders receive treatment. Persons with behavioral health disorders use emergency room and hospital services at a higher rate than the general population, and are at comparatively high risk for homelessness, unemployment, and criminal justice system involvement.

Enhanced services facility is defined in chapter 70.97 RCW as a facility which provides treatment and services to persons for whom acute inpatient treatment is not medically necessary and who have been determined by the Department of Social and Health Services (DSHS) to be inappropriate for placement in other licensed facilities due to complex needs that result in behavioral and security issues. A system of laws governing such facilities was adopted by the Legislature in 2005, but no such facilities have been funded in Washington.

Evidence-based is defined as a program or practice that has had multiple-site random-controlled trials across heterogeneous populations demonstrating that the pro-

gram or practice is effective for the population. Research-based is defined as a program or practice that has some research demonstrating effectiveness, but that does not yet meet the standard of evidence-based practices. Emerging best practice or promising practice is defined as a practice that presents, based on preliminary information, potential for becoming a research-based or consensus-based practice.

**Summary:** The Legislature must convene a task force beginning May 1, 2014, to examine reform of the adult behavioral health system. The voting members of the task force must consist of one member from each of the two largest caucuses in the Senate and House of Representatives; the Secretary of DSHS or the Secretary's designee; the Director of the Health Care Authority (HCA) or the Director's designee; the Director of the Office of Financial Management or the Director's designee; the Secretary of the Department of Corrections or the Secretary's designee; a representative of the Governor; and a representative of tribal authorities.

The task force must undertake a systemwide review of the public mental health system and make recommendations for reform by January 1, 2015, concerning, but not limited to, the following:

- the means by which services are delivered for adults with mental illness and chemical dependency disorders;
- availability of effective means to promote recovery and prevent harm associated with mental illness;
- crisis services, including boarding of mental health patients outside of regularly certified treatment beds; and
- public safety practices involving persons with mental illnesses with forensic involvement.

The systems for financing, administration, and delivery of public behavioral health services must be designed to achieve improved outcomes for adult clients through increased use and development of evidence-based, research-based, and promising practices. Client outcomes are identified including the following: improved health status; increased participation in employment and education; reduced involvement with the criminal justice system; enhanced safety and access to treatment for forensic patients; reduction in avoidable utilization and costs associated with hospital, emergency room, and crisis services; increased housing stability; improved quality of life, including measures of recovery and resilience; and decreased population-level disparities in access to treatment and treatment outcomes.

DSHS and HCA must implement a strategy for the improvement of the adult behavioral health system. The strategy must include the following: an assessment of the current capacity to provide evidence-based, research-based, and promising practices; identification, development, and increased use of these practices; design and im-

plementation of a transparent quality management system, including outcome reporting and development of baseline and improvement targets for identified outcome measures; identification of phased implementation of services delivery and financing mechanisms that will best promote improvement of the behavioral health system described in this strategy, including public reporting of outcome measures; and identification of effective methods to promote workforce capacity, efficiency, stability, diversity, and safety. DSHS must establish a steering committee and seek private-foundation and federal-grant funding to support its strategy and report on the status of implementation by August 1, 2014. The Washington State Institute for Public Policy and others must assist by providing an inventory of evidence-based, research-based, and promising practices.

DSHS must contract for the services of an independent consultant to review the provision of forensic mental health services and recommend changes that enhance the safety of the public, other patients, and forensic staff while providing an appropriate treatment environment.

By November 2013, DSHS must report a plan for establishing a tribal-centric behavioral health system ensuring increased access to culturally appropriate services for Medicaid-eligible tribal members.

To the extent funded, DSHS must begin a procurement process for enhanced services facility services by June 1, 2014, and complete the process by January 1, 2015.

Starting July 1, 2018, when the superintendent of a state hospital determines that a long-term patient no longer requires active psychiatric treatment at an inpatient level of care, the regional support network responsible for the individual must collaborate with the state hospital to transition the person into the community within 21 days of the determination.

An applicant for registration as an agency-affiliated counselor must be permitted to work for up to 60 days pending completion of the registration process with the Department of Health.

**Votes on Final Passage:**

Senate	46	0	
House	93	3	(House amended)
House	94	3	(House receded/amended)
Senate	47	0	(Senate concurred)

**Effective:** July 28, 2013  
July 1, 2018 (Section 4)

**ESSB 5744**

C 339 L 13

Monitoring the progress of the logger safety initiative.

By Senate Committee on Commerce & Labor (originally sponsored by Senators Hargrove, Hatfield and Conway).

Senate Committee on Commerce & Labor  
 House Committee on Labor & Workforce Development  
 House Committee on Appropriations Subcommittee on Health & Human Services

**Background:** Under the state's industrial insurance laws, workers who, in the course of employment, are injured or disabled from an occupational disease are entitled to benefits. Depending on the disability, workers are entitled to medical, temporary time-loss, and vocational rehabilitation benefits, as well as benefits for permanent disabilities.

Employers in the state must either purchase industrial insurance through the state fund or self-insure. The Department of Labor and Industries (L&I) administers the state fund. To calculate premium rates, L&I makes a number of actuarial calculations that take into consideration the risk of a worker getting hurt, and the severity of the injury. Premiums are calculated for each risk classification, and an employer can be assigned to one or more classification. The basic premium rate is a composite of three separate rates, the accident fund rate, the medical aid fund rate, and the supplemental pension fund rate. The accident and medical aid fund base premiums are experience rated.

The current base accident fund premium for non-mechanized logging is \$14.28 per hour, with a combined base rate of \$19.61 per hour. The average base accident fund premium across all risk classifications is \$0.34 per hour.

**Summary:** The Legislature recognizes the logger safety initiative, which is being developed by industry stakeholders with the goal of reducing the frequency and severity of injuries to manual loggers. L&I must reach out to employers in the logging industry and invite them to participate in the logger safety initiative, and include at least one representative of logging industry workers on the taskforce. L&I must report back to the Legislature on implementation of the initiative and participation in the safety program, including a description and summary of the worker training and supervision standards and the certification process for individual companies. The report must also contain a description and summary of any industrial insurance rate reduction or other incentive for rate year 2014 that will be applied to employers participating in the initiative.

**Votes on Final Passage:**

Senate	49	0	
House	96	0	(House amended)
Senate	47	0	(Senate concurred)

**Effective:** July 28, 2013

**SB 5748**

C 311 L 13

Extending contribution limits to candidates for public hospital district boards of commissioners.

By Senator Roach.

Senate Committee on Governmental Operations  
 House Committee on Government Operations & Elections

**Background:** State law imposes limits on campaign contributions to candidates for certain public offices. The Public Disclosure Commission periodically adjusts these limits. Currently, individuals, unions, businesses, and political action committees are limited to contributing:

- \$900 per election to a candidate for the Legislature, county office, city council office, mayoral office, or school board office; and
- \$1,800 per election to a candidate for statewide elective office and port district offices in districts with more than 200,000 registered voters – currently the Port of Seattle and the Port of Tacoma.

Campaign contribution limits also apply to political party organizations. Currently:

- state party organizations and legislative caucus political committees are limited to contributing \$0.90 per voter in the jurisdiction from which the candidate is elected during an election cycle; and
- county central committees and legislative district committees are limited to contributing \$0.45 per voter in the jurisdiction from which the candidate is elected during an election cycle.

Public hospital districts are local government entities that may be created, upon voter approval of a local ballot proposition, to provide health care facilities and services. To finance operations, districts may levy property taxes, charge user fees, and issue bonds. Since 1945, when they were authorized in state law, more than 50 districts have been created in 30 of Washington's 39 counties. Districts are governed by three, five, or seven-member boards of commissioners. Commissioners are elected by district voters to six-year terms.

**Summary:** Campaign contribution limits currently applying to candidates for the Legislature, county office, city council office, mayoral office, and school board office also apply to candidates for public hospital district boards of commissioners in districts with populations over 150,000. There are currently three public hospital districts in this class, two in King County and one in Snohomish County.

**Votes on Final Passage:**

Senate	49	0	
House	82	15	(House amended)
Senate	47	1	(Senate concurred)

**Effective:** July 28, 2013



**SB 5751**

C 63 L 13

Requiring an inventory of state fees.

By Senators Schoesler, Rivers, Smith, Braun, Baumgartner, Hasegawa, Parlette, Hewitt, Brown and Holmquist Newbry.

Senate Committee on Ways & Means  
House Committee on Appropriations

**Background:** Agencies of state government may charge user fees or regulatory fees to recover all or part of the cost of a service, benefit, or regulatory program. The amount of the fee may be set in statute or determined by the agency pursuant to an administrative delegation of authority from the Legislature.

**Summary:** Every state agency and state institution of higher education must report to the Office of Financial Management (OFM) an inventory of all fees charged by the agency or institution. The inventory must include the purpose of the fee, the amount of the fee, the statutory authority for the fee, and the amount of the fee over the previous five years. The agency must update the information at least once every two years.

OFM must compile a statewide inventory of all of the fee information submitted by state agencies and institutions. The inventory must be made available to the public on the website of state expenditure information maintained by the Legislative Evaluation and Accountability Program (LEAP).

OFM must convene a workgroup to develop a process to increase the frequency and public accessibility of the fee inventory. The workgroup will include representatives from LEAP, the Office of Regulatory Assistance, and the departments of Licensing, Labor and Industries, Transportation, and Health.

**Votes on Final Passage:**

Senate 49 0  
House 93 0

**Effective:** July 28, 2013

**SSB 5761**

C 312 L 13

Concerning outdoor advertising sign fees, labels, and prohibitions.

By Senate Committee on Transportation (originally sponsored by Senators King and Hobbs; by request of Department of Transportation).

Senate Committee on Transportation  
House Committee on Transportation

**Background:** The Washington State Department of Transportation (WSDOT) Outdoor Advertising Control (OAC) program is responsible for conducting surveillance

on regulated routes, performing illegal sign abatement activities, issuing and renewing sign permits, assisting with disseminating legal advice through the Office of the Attorney General, and initiating regulatory changes through the rulemaking process.

The OAC program currently charges a one-time, non-refundable \$300 permit application fee. WSDOT does not assess an annual renewal fee for off-premise sign permits. Over the past four years, the program has averaged 35 applications per year and has generated \$10,500. This current fee structure covers approximately 2 percent of the program's cost. The initial cost of applying for a permit remains at \$300.

**Summary:** The Scenic Vista Act is amended to allow WSDOT to charge a maximum annual fee for billboard sign permits of \$150. The annual fee will be used to cover the cost of the program and raise between \$243,000 and \$486,000. WSDOT is directed to establish exemptions from payment for type 4 and 5 signs that do not generate rental income. The size of a permitted sign label is increased from 16 square inches to 28 square inches. WSDOT is given the authority to assess a fine of \$100 for every day a sign does not conform to statute until the sign is brought into compliance or removed.

**Votes on Final Passage:**

Senate 43 6  
House 57 36 (House amended)  
Senate 40 8 (Senate concurred)

**Effective:** July 28, 2013

**SSB 5767**

C 313 L 13

Concerning inspection of dairy cattle.

By Senate Committee on Agriculture, Water & Rural Economic Development (originally sponsored by Senators Hatfield and Hobbs).

Senate Committee on Agriculture, Water & Rural Economic Development

House Committee on Agriculture & Natural Resources

**Background:** Livestock identification and inspection systems are used to demonstrate ownership and assist in disease traceability.

**Summary:** Upon the request of a licensed milk producer, the Department of Agriculture (WSDA) must issue an official individual identification tag, referred to as the green tag, to be placed by the producer before the first point of sale on bull calves and free-martins, defined as infertile female calves, that are under 30 days of age. The fee for each tag is the cost to WSDA for the tag and its distribution, plus the applicable beef commission assessment. As long as these calves are not being transported out of the state, they are exempt from the inspection requirements under this chapter if:

- the animal is under 30 days old and has not been previously bought or sold;
- the seller holds a valid milk producer's license;
- the sale does not take place through a public livestock market or special livestock sales;
- each animal is identified with the green tag; and
- a certificate of permit and a bill of sale listing each animal's green tag accompanies the animal to the buyer's location.

The exception for dairy cattle that are marked with a brand not recorded in this state from producing documentation of ownership is repealed.

**Votes on Final Passage:**

Senate	47	2	
House	96	0	(House amended)
Senate	46	2	(Senate concurred)

**Effective:** July 28, 2013

**SB 5770**

C 164 L 13

Permitting conservation districts to use electronic deposits for employee pay and compensation.

By Senators Honeyford, Hatfield and Hobbs.

Senate Committee on Agriculture, Water & Rural Economic Development  
House Committee on Local Government

**Background:** General and special-purpose governments are authorized to pay their employees by disbursing funds to a financial institution rather than paying the employee personally. However, at least 25 employees must first request this service in writing.

**Summary:** Conservation districts are exempt from the requirement to obtain the written request of at least 25 employees before they disburse salary and wages to an approved financial institution on the employees' behalf.

Conservation districts may disburse salaries, wages, and any other approved payments to any approved financial institution on behalf of employees or contractors.

**Votes on Final Passage:**

Senate	49	0
House	97	0

**Effective:** July 28, 2013

**SSB 5774**

C 59 L 13

Authorizing applications for a special permit to allow alcohol tasting by persons at least eighteen years of age under certain circumstances.

By Senate Committee on Commerce & Labor (originally sponsored by Senators Hewitt, Holmquist Newbry, McAuliffe, Bailey, Keiser, Conway, Schoesler, Kohl-Welles, Mullet and Kline).

Senate Committee on Commerce & Labor  
House Committee on Government Accountability & Oversight

**Background:** The Liquor Control Board (LCB) currently offers four different types or classes of permits. Class 1 permits allow physicians or dentists and those in charge of an institution regularly conducted as a hospital or sanitarium to purchase liquor. The Class 1 permit fee is \$5.

A Class 2 permit allows a person engaged in a mechanical or manufacturing business or scientific pursuits that require alcohol, to purchase alcohol not to be used for beverage purposes. The Class 2 permit fee is \$5 for five gallons or less, and \$10 for over five gallons.

A Class 4 permit is for a business that does not hold a liquor license to serve liquor without charge to employees or invited guests. The Class 4 permit fee is \$500.

A Class 6 permit allows someone operating a drug store to purchase alcohol to be sold on the prescription of a physician. The Class 6 permit fee is \$5.

**Summary:** A special permit is created to allow tasting of alcohol by individuals who are at least 18 years old who are enrolled as a student in a class that is part of a culinary, wine technology, beer technology, or spirituous technology-related degree program. The permit applicant is a community or technical college. The permit allows tasting, not consuming, of alcohol as part of the class curriculum with approval of the educational provider.

Faculty or staff of the educational provider must supervise the service and tasting and be at least 21 years of age, and hold a class 12 or 13 alcohol server permit. Students may not purchase the alcoholic beverages.

LCB must waive the fee for such a permit.

**Votes on Final Passage:**

Senate	42	7
House	89	4

**Effective:** July 28, 2013

**SSB 5786**  
C 314 L 13

Requiring certain information in commercial fishing guide license applications.

By Senate Committee on Natural Resources & Parks (originally sponsored by Senator Hargrove).

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

**Background:** Fish Guide Licensing. A commercial license is required to act as a food fish or game fish guide. In general, the term guide refers to a person who accepts compensation while transporting or accompanying fishers and sharing techniques and expertise on the fish and waters.

There are two classes of fish guide licenses. A game fish guide license is \$180 for residents and \$600 for non-residents, and allows guide services relating to game fish such as steelhead, bass, and catfish. A food fish guide license is \$130 for residents and \$630 for nonresidents, and allows guide service relating to food fish in most freshwater areas. Fishing services relating to food fish conducted in salt water areas generally require a charter boat license. Food fish include salmon, sturgeon, halibut, bottomfish, and tuna.

Each class of fish guide licenses also includes an application fee of \$70.

Fish Guide License Applications. Current law charges the Department of Fish and Wildlife (DFW) with issuing commercial licenses to qualified persons after they submit a complete application and pay the required fee. The statute requires every applicant to provide a name and address, as well as any other information required by DFW. The application for a fish guide license requests information such as the applicant's name, address, phone number, date of birth, and social security number.

**Summary:** Additional information is required for applicants to receive a fish guide license, both for food fish and game fish. Specifically, an application for these licenses must include the following:

- a driver's license or identification card and the jurisdiction of issuance;
- the applicant's business license number;
- proof of current certification in first aid and CPR;
- proof of commercial liability insurance of at least \$300,000; and
- a United States Coast Guard license for those applicants intending to carry passengers for hire on federally recognized navigable waters with a motorized vessel.

**Votes on Final Passage:**

Senate	48	1	
House	90	3	(House amended)
Senate	47	0	(Senate concurred)

**Effective:** July 28, 2013

**SB 5797**  
C 257 L 13

Encouraging the establishment of effective specialty and therapeutic courts.

By Senators Hobbs and Padden.

Senate Committee on Law & Justice  
House Committee on Judiciary

**Background:** Twenty-four counties in Washington have special problem-solving courts or calendars. These include the following.

Adult Drug Court. Adult drug courts have a specially designed court calendar or docket, the purposes of which are to achieve a reduction in recidivism and substance abuse among nonviolent substance abusing offenders and to increase the offender's likelihood of successful habilitation through early, continuous, and intense judicially supervised treatment, mandatory periodic drug testing, community supervision, and use of appropriate sanctions and other rehabilitation services.

Juvenile Drug Court. Juvenile drug court have a docket within a juvenile court to which selected delinquency cases, and in some instances status offenders, are referred for handling by a designated judge. The youth referred to this docket are identified as having problems with alcohol and/or other drugs. In Washington, all of the juvenile drug courts, with the exception of one, deal exclusively with juvenile offenders.

Family Dependency Treatment Court. Family dependency treatment court is a juvenile or family court docket of which selected abuse, neglect, and dependency cases are identified where parental substance abuse is a primary factor. Family dependency treatment courts aid parents in regaining control of their lives and promote long-term stabilized recovery to enhance the possibility of family reunification within mandatory legal timeframes.

Mental Health Court. Modeled after drug courts and developed in response to the overrepresentation of people with mental illnesses in the criminal justice system, mental health courts divert select defendants with mental illnesses into judicially supervised, community-based treatment. Currently, all mental health courts are voluntary. Defendants are invited to participate in the mental health court following a specialized screening and assessment, and they may choose to decline participation.

DWI Court. A DWI court is a distinct post-conviction court system dedicated to changing the behavior of an alcohol-dependent repeat offender arrested for driving while impaired (DWI). The goal of the DWI court is to protect public safety by using the drug court model to address the root cause of impaired driving, which is alcohol and other drugs of abuse. Variants of DWI courts include drug

courts that also take DWI offenders, which are commonly referred to as hybrid DWI courts or DWI drug courts.

**Veterans Treatment Court.** The Veterans Treatment Court model uses veterans as mentors to help defendants engage in treatment and counseling as well as partner with local Veterans Affairs offices to ensure that participants receive proper benefits.

**Community Court.** Community courts bring the court and community closer by locating the court within the community where quality of life crimes are committed for example, petty theft, turnstile jumping, vandalism, etc. With community boards and the local police as partners, community courts have the bifurcated goal of solving the problems of defendants appearing before the court, while using the leverage of the court to encourage offenders to give back to the community in compensation for damage they and others have caused.

**Reentry Drug Court.** Reentry drug courts utilize the drug court model to facilitate the reintegration of drug-involved offenders into communities upon their release from local or state correctional facilities. Reentry drug court participants are provided with specialized ancillary services needed for successful reentry into the community.

**Tuancy Court.** Tuancy courts assist in overcoming the underlying causes of truancy in a child's life by reinforcing education through efforts from the school, courts, mental health providers, families, and the community. Tuancy court is often held on the school grounds and results in the ultimate dismissal of truancy petitions if the child can be helped to attend school regularly.

**Homeless Court.** A homeless court is a special court session held in a local shelter or other community site designed for homeless citizens to resolve outstanding misdemeanor criminal warrants.

**Domestic Violence Court.** A felony domestic violence court is designed to address traditional problems of domestic violence such as low reports, withdrawn charges, threats to victim, lack of defendant accountability, and high recidivism, by intense judicial scrutiny of the defendant and close cooperation between the judiciary and social services. A permanent judge works with the prosecution, assigned victim advocates, social services, and the defense. Variants include the misdemeanor domestic violence court that handles larger volumes of cases and is designed to combat the progressive nature of the crime to preempt later felonies, and the integrated domestic violence court in which a single judge handles all judicial aspects relating to one family, including criminal cases, protective orders, custody, visitation, and divorce.

**Gambling Court.** Operating under the same protocols and guidelines utilized within the drug court model, gambling courts intervene in a therapeutic fashion as a result of pending criminal charges with those individuals who are suffering from a pathological or compulsive gambling disorder. Participants enroll in a contract-based, judicially supervised gambling recovery program and are exposed to an array of services.

**Back on TRAC: Treatment, Responsibility, Accountability on Campus.** The Back on TRAC clinical justice model adopts the integrated public health and public safety principles and components of the successful drug court model and applies them to the college environment. It targets college students whose excessive use of substances has continued despite higher education's best efforts at education, prevention, or treatment and has ultimately created serious consequences for themselves or others.

**Summary:** Specialty court and therapeutic court are defined as specialized pretrial or sentencing dockets in select criminal cases where agencies coordinate work to provide treatment for a defendant who has particular needs. The Legislature encourages the Supreme Court to adopt any administrative orders and court rules of practice and procedure it deems necessary to support the establishment of effective specialty and therapeutic courts.

It is clarified that jurisdictions, rather than counties, may establish and operate drug courts, mental health courts, and DUI courts. Any jurisdiction that establishes a DUI court, drug court, and a mental health court may combine the functions of these courts into a single therapeutic court. Municipalities may enter into cooperative agreements with counties or other municipalities that have DUI courts to provide DUI court services.

Any jurisdiction establishing a specialty court must endeavor to incorporate the treatment court principles of best practices as recognized by state and national treatment court agencies and organizations, and may seek state or federal funding as it becomes available for the establishment, maintenance, and expansion of specialty and therapeutic courts and for the provision by participating agencies of treatment for participating defendants.

Specialty and therapeutic courts must continue to: (1) obtain the consent of the prosecuting authority in order to remove a charged offender from the regular course of prosecution and punishment; and (2) comply with sentencing requirements as established in state law.

The Superior Court Judges' Association and the District and Municipal Court Judges' Association are encouraged to invite other appropriate organizations and convene a workgroup to examine the structure of all specialty and therapeutic courts in Washington. The Legislature requests that the workgroup submit recommendations for the structure of specialty and therapeutic courts in the law and court rules, incorporating principles of best practices as recognized by state and national treatment court agencies and organizations, and making specialty and therapeutic courts more effective and prevalent throughout the state. The Legislature requests that the workgroup's recommendations be available prior to the beginning of the 2014 legislative session, and respectfully requests the Supreme Court to consider any recommendations from the workgroup pertaining to necessary changes in court rules.

**Votes on Final Passage:**

Senate 49 0

House 94 1 (House amended)  
Senate 47 0 (Senate concurred)

**Effective:** August 1, 2013

### E2SSB 5802

C 6 L 13

Developing recommendations to achieve the state's greenhouse gas emissions targets.

By Senate Committee on Ways & Means (originally sponsored by Senators Ranker, Litzow, Frockt, Cleveland, Billig, Kohl-Welles, Murray and McAuliffe; by request of Governor Inslee).

Senate Committee on Energy, Environment & Telecommunications

Senate Committee on Ways & Means

House Committee on Environment

**Background:** According to the United States Energy Information Agency (EIA), greenhouse gases (GHGs) have increased by approximately 25 percent since the Industrial Revolution, about 150 years ago.

The U.S. Environmental Protection Agency (EPA) finds that carbon dioxide (CO<sub>2</sub>) is the primary GHG that is contributing to recent climate change. Atmospheric CO<sub>2</sub> concentrations have increased by almost 40 percent since pre-industrial times. The EIA states that during the past 20 years, about three-fourths of CO<sub>2</sub> emissions from human activities are from burning fossil fuels.

The primary GHGs are CO<sub>2</sub>, methane, and nitrous oxide. Fluorinated gases are emitted from industrial processes but in smaller quantities than the primary GHGs. These GHGs are chlorofluorocarbons, hydrochlorofluorocarbons, hydrofluorocarbons, and perfluorocarbons and are considered high global warming potential gases.

The EPA found that in 2010, the primary sources of GHG emissions in the U.S. were the following:

- electricity production at 34 percent;
- transportation at 27 percent;
- industrial processes, usually for energy, at 21 percent;
- commercial and residential, primarily for space heating, at 11 percent; and
- agriculture at 7 percent.

The EPA notes that land use and forestry provide an offset of 15 percent of GHG emissions.

In 2008, the Legislature established the GHG emission reductions for Washington that include the following:

- by 2020, reduce GHG emissions to 1990 levels;
- by 2035, reduce GHG emissions to 25 percent below 1990 levels; and
- by 2050, the state will do its part to reach global climate stabilization levels by reducing overall GHG emissions to 50 percent below 1990 levels, or 70 percent below the state's expected emissions that year.

In 2008, the Legislature directed the Department of Ecology to report to the Governor and the Legislature, by December 31 of each even-numbered year beginning in 2010, the total GHG emissions for the preceding two years, and totals in each major source sector. According to the Department of Ecology, in 2010 the total state annual GHG emissions were 95.6 million metric tons of the CO<sub>2</sub> equivalent, a 2 percent increase in GHG emissions since 1990. The CO<sub>2</sub> equivalent is the unit for comparing emissions of different GHGs expressed in terms of the global warming potential of one unit of CO<sub>2</sub>.

The GHG emissions by major source in Washington in 2010 are the following:

- transportation at 44.1 percent;
- electricity at 21.7 percent;
- residential, commercial, and industrial – space and process heating, at 20.6 percent;
- agriculture at 5.6 percent;
- industrial processes at 4.6 percent;
- waste management at 2.6 percent; and
- fossil fuel industry at 0.7 percent of total state GHG emissions.

**Summary:** The Office of Financial Management must contract with an independent and objective consultant to prepare a credible evaluation of approaches to reducing GHGs. The evaluation must be provided to the Governor by October 15, 2013, for use by the Climate Legislative and Executive Workgroup (Workgroup).

The evaluation must include a review of other countries' and states' GHG emission reduction programs, regional efforts to reduce GHGs, and an analysis of Washington State's emissions and related energy-consumption profile.

The review must also include available information from each program on the following:

- the effectiveness of the jurisdiction in achieving its emission-reduction goals;
- the impact on the economy, including power rates, agriculture, manufacturing, and transportation fuel costs;
- the effect on household consumption and spending, including measures to mitigate for low-income populations;
- displacement of emission sources due to the program;
- significant co-benefits, such as to public health;
- achievements in greater independence from fossil fuels and the economic costs and benefits;
- the most effective implemented strategy and the tradeoffs made; and
- opportunities for new manufacturing infrastructure, investments in cleaner energy and energy efficiency, and jobs including instate opportunities.

The analysis of the state's emissions and related energy-consumption profile must include the following:

- total expenditure for energy by fuel category and sources of fuel;
- options for an approach to reduce emissions that would increase spending on in-state energy production relative to expenditures on imported energy sources, and effects to job growth and economic performance; and
- existing studies of the potential costs to Washington consumers and businesses of GHG emission reduction programs or strategies being implemented in other jurisdictions.

The evaluation must examine and summarize state and federal policies that will contribute to meeting the GHG targets. Additionally, the evaluation must analyze the overall effect of global GHG levels if Washington State achieves its targets.

The Workgroup is created consisting of the Governor as a nonvoting member, one member from each majority caucus, and an alternate from each the House and Senate. The Workgroup must be appointed by May 1, 2013 and hold its first meeting by May 15, 2013. The Workgroup must recommend a state program to reduce GHGs, that if implemented would achieve the state's GHG emission limits.

The recommendations must be prioritized to ensure the greatest amount of environmental benefit for each dollar spent and based on measures of environmental effectiveness; and include consideration of current best science, effectiveness, and how best to administer the program and policies. The Workgroup recommendations must include a timeline for actions and funding necessary to implement the recommendations. The Workgroup must use the evaluation provided by the consultant to inform its recommendations. The Workgroup must schedule at least one meeting where the public may provide input. By December 31, 2013, the Workgroup must provide a report to the Legislature.

The Workgroup must select a nonpartisan and objective consultant or consultants. The Workgroup may not select a consultant whose employer retained a lobbyist in Washington State during the past five years or personally contributed to the campaign of a statewide-elected official in the previous four years.

**Votes on Final Passage:**

Senate	37	12
House	61	32

**Effective:** April 2, 2013

**SSB 5804**

C 32 L 13 E 2

Addressing federal receipts reporting requirements.

By Senate Committee on Ways & Means (originally sponsored by Senators Baumgartner and Hill).

Senate Committee on Ways & Means  
House Committee on Appropriations

**Background:** State agencies administer funds allocated to the state by the federal government for a variety of programs, both as one-time grants and as on-going matching funds for federal programs administered by the state. State agencies may be authorized to expend federal funds either by an appropriation from the Legislature or by the unanticipated receipts process, where an agency receives approval from the Office of Financial Management to expend federal funds that were received by the agency while the Legislature is not in session.

**Summary:** The Department of Social and Health Services, the Department of Health, the Health Care Authority, the Department of Commerce, the Department of Ecology, the Department of Fish and Wildlife, the Department of Early Learning, and the Superintendent of Public Instruction must prepare a biennial report on the amount of federal funds received and expended by the agency, and the percentage that the federal funds represents of the overall agency budget. The designated agencies must also develop contingency plans that reflect both a 5 percent and a 25 percent reduction in federal funding. The report must be submitted as part of the agencies' biennial budget request documents.

**Votes on Final Passage:**

Senate	49	0
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Second Special Session

Senate	48	0
House	86	4

**Effective:** September 28, 2013

**SB 5806**

C 240 L 13

Repealing an obsolete provision for a credit against property taxes paid on timber on public land.

By Senators Smith, Rolfes, Pearson and Hargrove.

Senate Committee on Ways & Means  
House Committee on Finance

**Background:** Under current law, a credit against the timber tax is provided for property taxes paid on privately owned timber standing on public land. However, in 2004, the Legislature passed a bill that exempts all timber from the property tax. Therefore, the credit provided is obsolete and unnecessary.

**Summary:** The property tax credit for taxes paid on privately owned timber standing on public lands is repealed.

**Votes on Final Passage:**

Senate	49	0
House	97	0

**Effective:** July 28, 2013

**SB 5809**

C 165 L 13

Changing provisions relating to the home visiting services account.

By Senator Litzow.

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

**Background:** In 2006, the Legislature created a nongovernmental private-public partnership focused on investing in early learning. This partnership is known as Thrive by Five (Thrive).

In 2007, the Legislature directed the Council for Children and Families to develop a plan with the Department of Social and Health Services, Department of Health, and the Department of Early Learning (DEL) to coordinate or consolidate home visiting services, which were spread across multiple state agencies.

In 2010, the Home Visiting Services Account (HVSA) was created and is administered by DEL. The non-appropriated account contains a mixture of state and federal funds, which are used for home visiting activities aimed at enhancing child development and well-being, reducing the incidence of child abuse and neglect, and promoting school readiness. Revenues to HVSA consist of appropriations by the Legislature and federal grants. DEL contracts with Thrive to administer programs funded through HVSA. Thrive funds programs using a competitive bid process and convenes an advisory committee of early learning and home visiting experts to advise Thrive regarding research and distribution of funds. Authorization for expenditures from HVSA can only be made after private matching funds are committed.

**Summary:** HVSA is changed to an appropriated account. All federal funds received by DEL for home visiting must be deposited into HVSA.

DEL is designated as overseeing HVSA and is the lead agency for home visiting system development. Thrive will administer the home visiting services delivery system and provide support to funded programs. Thrive may fund programs through a competitive process or a process in compliance with regulations on the funding sources. Provisions related to the transition to the use of HVSA are removed.

It is specified that the intent of the Legislature is that state funds invested in HVSA be matched at 50 percent by

the private-public partnership, Thrive, each fiscal year. However, state funds in the account may be accessed even in the event that Thrive fails to meet the 50 percent match rate target.

If Thrive fails to meet the 50 percent match rate target, Thrive and DEL must jointly submit a report to the relevant legislative committees detailing the reasons why the match rate target was not met, the actual match rate, and a plan to achieve the 50 percent match rate target the following year. The report must be submitted as promptly as practicable, but lack of receipt of the report must not prevent state funds in the account from being accessed.

Expenditures from the account used by DEL for program administration may not exceed an average of 4 percent of the amount in HVSA in any two consecutive fiscal years.

**Votes on Final Passage:**

Senate	49	0	
House	92	4	(House amended)
Senate	46	1	(Senate concurred)

**Effective:** July 28, 2013

**SB 5810**

C 315 L 13

Concerning security threat group information.

By Senators Darneille, Carrell and Shin; by request of Department of Corrections.

Senate Committee on Human Services & Corrections  
House Committee on Government Operations & Elections

**Background:** The Special Investigations Services Unit (SISU) of the Department of Corrections (DOC) collects, evaluates, collates, and analyzes data and special investigative information concerning the existence, activities, and operation of security threat groups, drugs, and violence within DOC facilities. SISU gathers intelligence and trains other correctional officers on offenders and possible gang affiliation.

The Security Threat Group (STG) at DOC is a system to identify and monitor the movement and activities of offenders and offender groups who pose a potential threat to the security or safety of employees, contract staff, volunteers, visitors, other offenders, criminal justice partners, and the community. The Headquarters STG maintains a centralized database which contains specific information pertaining to offenders who pose a security threat. Access to the STG database is restricted to authorized DOC employees. Authorized field employees have access to the database to add documentation or validation information concerning an offender. All other DOC employees have access to limited information from the database.

Upon request, an agency must make its public records available for public inspection and copying unless the records fall within a specific statutory exemption. The cur-

rent list of exemptions does not include information contained in DOC's STG database.

**Summary:** DOC may collect, evaluate, collate, and analyze data and specific investigative information concerning security threat groups, drugs, and violence within DOC facilities and the participants involved. The following STG information collected and maintained by DOC is exempt from public disclosure:

- information that could lead to the identification of a person's STG status, affiliation, or activities;
- information that reveals specific security threats associated with the operation and activities of STGs; and
- information that identifies the number of STG members, affiliates, or associates.

**Votes on Final Passage:**

Senate	49	0	
House	97	0	(House amended)
Senate	46	0	(Senate concurred)

**Effective:** July 28, 2013

**ESSB 5849**  
C 60 L 13

Concerning electric vehicle charging stations.

By Senate Committee on Transportation (originally sponsored by Senators Tom, Frockt, Keiser, Hatfield and Kline).

Senate Committee on Transportation  
House Committee on Transportation

**Background:** Electric vehicles operate, either partially or exclusively, on electrical energy from the grid or an off-board source that is stored on-board for motive purposes. Some electric vehicles are equipped to recharge the battery by connecting to the power grid. In 2009, the Legislature passed a bill that required all cities and counties statewide to allow motor vehicle battery charging stations as a use in all zones, except residential, resource, or critical areas. Additionally, the 2009 legislation directed the Puget Sound Regional Council and the Department of Commerce to develop guidance for local governments regarding the development of an electric vehicle charging network. According to the Municipal Research Services Center, 16 local governments have adopted ordinances related to electric vehicle charging.

The West Coast Electric Highway initiative has developed over the past couple of years. It is a network of electric vehicle fast-charging stations located every 25 to 50 miles along Interstate 5 and other major roadways and stretches from the Canadian border to the Mexican border. There are 12 stations in Washington that are associated with the West Coast Electric Highway. Additionally, there are also electric vehicle charging stations provided by both public and private entities throughout Washington that are not part of the West Coast Electric Highway initiative.

The Washington State Department of Transportation periodically adopts the Manual on Uniform Traffic Control Devices (MUTCD), published by the Federal Highway Safety Administration. MUTCD provides guidance on a variety of traffic control devices to state and local traffic engineers. MUTCD contains a standard sign for use by governments to indicate the location of an electric vehicle charging station.

**Summary:** Electric vehicle charging station is defined as a public or private parking space that is served by charging equipment that has as its primary purpose the transfer of electric energy to a battery or other energy storage device in an electric vehicle.

Electric vehicle charging stations must be indicated by vertical signage identifying the space as an electric vehicle charging station, indicating that parking is only for electric vehicles that are charging. The sign must be consistent with MUTCD. The parking space must also be indicated by green pavement markings.

It is a parking infraction with a penalty of \$124 for any person to park a vehicle in an electric vehicle charging station if the vehicle is not connected to the charging equipment. The parking infraction applies to both public and private electric vehicle charging stations.

**Votes on Final Passage:**

Senate	43	6
House	84	12

**Effective:** July 28, 2013

**ESSB 5882**  
C 13 L 13 E 2

Creating, expanding, or extending tax preferences.

By Senate Committee on Ways & Means (originally sponsored by Senator Hill).

Senate Committee on Ways & Means

**Background: Part I** - Pursuant to WAC 458-20-111, an exclusion is allowed from the measure of tax amounts representing money or credits received by a taxpayer as reimbursement of an advance in accordance with the regular and usual custom of the taxpayer's business or profession. The rule states that the words advance and reimbursement apply only when the customer or client alone is liable for the payment of the fees or costs and when the taxpayer making the payment has no personal liability, either primarily or secondarily, other than as agent for the customer or client.

**Part II** - Until July 1, 2015, a business and occupation (B&O) tax exemption is provided for dairy product manufacturing and for wholesale sales to purchasers who transport the goods outside of the state in the ordinary course of business. When the B&O tax exemption expires on July 1, 2015, dairy products will again be subject to a B&O tax rate of 0.138 percent.



**Part III** - In 2008, due to concerns over the occurrences of colony collapse disorder, the Legislature enacted the following exemptions relating to honey beekeepers:

- the income received from the wholesale sale of honeybee products by those individuals who do not otherwise qualify as farmers is exempt from the B&O tax;
- the income received from pollination services to a farmer by an eligible beekeeper is exempt from the B&O tax; and
- the sale of bees to an eligible apiarist is exempt from the sales and use tax.

The exemptions established in 2008 expire July 1, 2013.

**Part IV** - A retail sale is a sale to the final consumer or end user of the property, digital product, or service. Tangible personal property that is consumed by a business in order to provide a service is subject to the retail sales tax.

**Part V** - The sales and use tax does not apply to sales of food and food ingredients that are sold for ingestion or chewing by humans and are consumed for their taste or nutritional value. This does not include alcohol, tobacco, prepared food, soft drinks, or dietary supplements. However, a meal purchased at a restaurant is a retail sale. Restaurants are exempt from paying sales tax on the food they purchase for resale. These purchases are exempt in statute as an ingredient of the final product sold to customers at retail. Items purchased by restaurants to aid in the cooking process and impart flavor to food are not defined as an ingredient of the final product sold; therefore, restaurants must pay sales tax on these items.

**Part VI** - The B&O tax is imposed on the gross receipts, income, or sales of a business operating in Washington. The tax rate varies depending on the classification of the business activity.

Rural electric cooperatives and mutual electric utilities are nonprofit, member-owned electric utilities that provide retail electric service to their members. Electric cooperatives and mutuals in Washington are entitled to the same federal preference power as municipal utilities and public utility districts.

The National Rural Utilities Cooperative Finance Corporation (CFC) was incorporated in 1969 as a member-owned, nonprofit, cooperative financing organization. It raises and loans funds to supplement the loan programs for electric cooperatives and mutuals offered by the federal Rural Utilities Service. According to the CFC, its outstanding loans and guarantees totaled \$20.2 billion as of May 31, 2012, for all cooperatives nationwide. And according to the Washington Rural Electric Cooperative Association, electric cooperatives in Washington have approximately \$160 million in outstanding loans with the CFC as of May 31, 2012.

**Part VII** - In 2007, the Washington Legislature directed the Department of Revenue (DOR) to conduct a study of the taxation of electronically delivered products and to

prepare a final report for the Legislature by September 1, 2008. The legislation required the DOR to conduct the study in consultation with a committee consisting of four legislative members, as well as additional members representing the industry and government. The report's conclusion stated that legislation implementing tax policy on digital products is necessary in 2009 to (1) protect the sales and use tax base; (2) establish certainty in the tax code; (3) maintain conformity with the Streamlined Sales and Use Tax Agreement (SSUTA); and (4) encourage economic development. The committee was not able to reach consensus on a specific tax policy proposal because of the differing views on certain fundamental issues surrounding the taxation of digital products. However, the committee did agree that legislation adopting a broad, general imposition approach for digital products would be possible only if the legislation (1) contains meaningful and easily administered broad-based exemptions for business inputs; (2) provides sales and use tax amnesty to taxpayers who failed to collect tax on digital products for prior periods; (3) maintains conformity with the SSUTA; and (4) protects and promotes the location of server farms and data centers in Washington.

In 2009, the Legislature made numerous amendments to the retail sales and use taxes statutes. The terms digital good, digital automated service, and digital code were defined and, with limited exceptions, sales and use taxes were imposed on the sale of such products. The Legislature provided certain exemptions from the retail sales and use tax including an exemption for standard digital information purchased solely for business purposes. Standard digital information is defined as a digital good consisting primarily of data, facts, or information that is not generated for a specific client or customer.

**Part VIII** - A retail sale includes the sale of or charge made for services received by persons involved in business activities such as amusement and recreation services. Amusement and recreation services include, but are not limited to golf, pool, billiards, skating, bowling, ski lifts and tows, day trips for sightseeing purposes, and others, when provided to consumers. This also includes cover charges for providing the opportunity to dance, which are subject to the retailing B&O tax classification and the retail sales tax.

**Part IX** - Beginning in 2005, manufacturers and wholesalers of solar systems using photovoltaic modules paid a B&O tax at the rate of 0.294 percent. The reduced B&O tax rate was set to expire June 30, 2014. Over the years, several amendments to this section have taken place. Currently, manufacturers and wholesalers of solar energy systems using photovoltaic modules or stirling converters, or of solar grade silicon, silicon solar wafers, silicon solar cells, thin film solar devices, or compound semiconductor solar wafers are taxed at the rate of 0.275 percent.

**Part X** - In 2009, the Legislature enacted a sales and use tax exemption for hog fuel used to produce electricity,

steam, heat, or biofuel. The exemption expires on June 30, 2013. Hog fuel is a waste product of wood that is ground, a process known as hogging, for use as a commercial energy source. As such, it is a kind of biofuel. Hog fuel is typically used as a fuel supply for boilers and electric power generation at mills that produce the material as a manufacturing byproduct. It is also purchased for use as a fuel source at these mills. Hog fuel is more fibrous and less uniform in size than clean wood chips.

**Part XI** - Aircraft used in Washington for longer than 90 days must be registered and a fee of \$15 is due to the Department of Transportation. Certain aircraft are exempt from the \$15 registration fee, such as un-airworthy aircraft and commercial aircraft engaged principally in commercial flying constituting an act of interstate or foreign commerce. The aircraft excise tax varies by type of aircraft and ranges from \$20 for a home-built aircraft up to \$125 for a turbojet multi-engine fixed wing plane and currently does not apply to commercial aircraft engaged principally in commercial flying that constitutes interstate or foreign commerce.

Generally, large private airplanes are subject to state sales or use tax, as is any modification or repair work to the aircraft.

In addition to the \$15 registration fee, private aircraft in the state for longer than 90 days, if not subject to the aircraft excise tax, are subject to state personal property taxes.

**Part XII** - In 2004, the Legislature reenacted exemptions for nonprofit blood, bone, and tissue banks. A qualifying blood bank must have a primary business purpose of collecting, preparing, and processing blood. A qualifying tissue bank must have a primary business purpose of recovering, processing, storing, labeling, packaging, or distributing human bone tissue, ligament tissue and similar musculoskeletal tissues, skin tissue, heart valve tissue, or human eye tissue. A qualifying blood and tissue bank must have a primary business purpose of collecting, preparing, and processing blood. All of the qualifying banks must be considered, under federal law as it existed on June 10, 2004, exempt nonprofit organizations and registered pursuant to federal law. These qualifying banks are exempt from the B&O tax, retail sales and use taxes, and property taxes.

**Part XIII** - Farmers are exempt from the B&O tax for the sale of any agricultural product at wholesale and for growing, raising, or producing agricultural products owned by others. This exemption does not apply to any person who sells such products at retail or to any person who sells manufactured substances or articles. Mint growers do not fall within this exemption because they must further process mint into mint oil, which is considered a manufactured substance.

Mint growers and processors use propane or natural gas to distill mint oil. Propane and natural gas are considered tangible personal property. Therefore, mint growers

and processors must pay retail sales or use taxes for the purchase or use of propane and natural gas.

**Part XIV** - Amounts received from fundraising activities by nonprofit organizations and libraries are exempt from the B&O tax. Similarly, sales made by nonprofit organizations or libraries are exempt from the sales tax. However, those who purchase or receive as a prize an article of personal property from a nonprofit organization or library for a fundraising activity owe use taxes to the state.

**Part XV** - A sales and use tax exemption in the form of a refund is allowed for 75 percent of the sales tax paid on machinery and equipment used directly in generating electricity from wind, sun, fuel cells, biomass, tidal or wave energy, geothermal resources, anaerobic digestion, and technology that converts otherwise lost energy from exhaust or landfill gas into electricity. In addition, the exemption applies to the labor and services rendered in respect to installing exempt machinery and equipment. The facility using the machinery and equipment must generate at least 1,000 watts of electricity to qualify for the exemption.

**Part XVI** - A sales and use tax exemption is allowed for machinery and equipment used directly in generating electricity using solar energy. In addition, the exemption applies to the labor and services rendered in respect to installing exempt machinery and equipment. The facility using the machinery and equipment must generate no more than ten kilowatts of electricity to qualify for the exemption. The exemption expires July 1, 2013.

**Summary: Part I** - A B&O tax exemption is provided for amounts received by a business, that is considered a qualified employer of record, that provides payroll and related human resource services to an affiliated company. The exemption is for amounts received by the business for an affiliate's employee costs. Employee costs means wages and salaries, benefits, or other assessments paid to or on behalf of the employee. Affiliated is defined to mean under common control.

There is no exclusion for the B&O tax for employee costs if the employer of record has a contractual obligation to provide services other than paymaster services to the affiliated business.

**Part II** - An additional type of sale of dairy products is temporarily exempt from the B&O tax until July 1, 2015. These are sales of dairy products to purchasers who use the dairy products as an ingredient or component in the manufacturing of a dairy product. Once the exemption expires, a preferential B&O tax rate of 0.138 percent will apply until July 1, 2023.

Dairy products are defined by reference to the Code of Federal Regulations and include byproducts such as whey and casein, and products comprised of not less than 70 percent dairy products by weight or volume.

**Part III** - A legislative finding is made that in 2013, colony collapse disorder is still a significant problem for the apiary – honey beekeeper – industry. It is stated that the

Legislature's intent is that tax relief provided by this act will not be extended when data indicates that honey bee colony survivorship has improved as provided in the colony collapse disorder progress report published annually by the United State Department of Agriculture, and data provided by the Washington State Department of Agriculture (WSDA) to the Joint Legislative Audit and Review Committee (JLARC).

The WSDA is required to create a honey bee workgroup to develop a report that outlines solutions that bolster the use of Washington honey bee colonies. The workgroup includes (1) two members from the Washington state beekeepers association; (2) one apiarist with no less than 1,000 hives; (3) one apiarist with no more than 25 hives; (4) one member from the Washington State University apiary lab; (5) one member from the WSDA; (6) one member from the tree fruit industry; and (7) one member from the seed industry. The workgroup may include or seek input from other agencies, organizations, and stakeholders. By December 31, 2014, the workgroup must submit a report to the Legislature that includes the following:

- proposed changes to the industry's tax structure to increase competitiveness with out-of-state beekeepers for pollination contracts;
- analytics and metrics to measure the value of the proposed tax structure changes;
- propose additional resources needed to continue applied and basic research to support commercial beekeepers in the state and to recover colony losses;
- colony levels needed to meet the pollination demands of the state's agricultural industry;
- other policy changes that would increase competitiveness of the state's beekeepers;
- other industry needs that would increase the market share of pollination contracts awarded to state beekeepers; and
- metrics needed to provide accountability for state resources invested in the honey bee industry.

The three temporary tax exemptions provided in 2008 are extended through July 1, 2017. Additionally, feed used by an eligible apiarist in the raising of a bee colony used to make honey bee products is exempt from the sales and use tax. This exemption also expires on July 1, 2017.

**Part IV** - Nonprofit gun clubs are provided a sales and use tax exemption for the clay targets they purchase for use in clay target shooting for which a fee is charged. The buyer must provide the seller with an exemption certificate from DOR. This exemption expires on July 1, 2017.

**Part V** - A sales and use tax exemption is provided for products sold to restaurants that impart flavor to food during the cooking process. The product must be completely or substantially consumed during the cooking process, which includes items such as wood chips, charcoal, briquettes, and grapevines, or the product must support the food during the cooking process and be entirely comprised

of wood, such as grilling planks. This exemption expires on July 1, 2017.

**Part VI** - The B&O tax does not apply to amounts received by a cooperative finance organization where the amounts are derived from loans to rural electric cooperatives or other nonprofit or governmental providers of utility services organized under the laws of Washington.

Cooperative finance organization means a nonprofit organization with the primary purpose of providing, securing, or otherwise arranging financing for rural electric cooperatives. Rural electric cooperative means a nonprofit, customer-owned organization that provides utility services to rural areas. This provision expires July 1, 2017.

**Part VII** - A retail sales and use tax exemption is created for the sale of Standard Financial Information (SFI) to Qualifying International Investment Management Companies (QIIMC). SFI is defined as financial data, facts or information, or financial information services, that is developed for more than one single customer. SFI includes, but is not limited to, financial market data, bond ratings, credit ratings, and deposit, loan, or mortgage reports. A QIIMC is defined as a person who is primarily engaged in the business of providing investment management services with at least 10 percent of the gross income derived from such services to persons or collective investment funds outside of the United States, or collective investment funds with at least 10 percent of their investments positioned outside of the United States. The amount of deductible purchases are limited to \$15 million per year.

The SFI may be provided in hard copy, in a storage medium, or as a digital product transferred electronically. To receive the tax exemption the seller must obtain an exemption certificate from the buyer or maintain relevant data of sale as authorized by the SSUTA. This provision expires July 1, 2021.

**Part VIII** - Amusement and recreation services do not include the opportunity to dance provided by an establishment in exchange for a cover charge. A cover charge is a charge to enter an establishment or added to the purchaser's bill in exchange for the purchaser having the opportunity to dance. An opportunity to dance means that an establishment provides a designated physical space where customers are allowed to dance and the establishment makes customers aware that this area for dancing exists. The result of this change is that cover charges provided for the opportunity to dance are no longer subject to the retail sales tax. These cover charges will also no longer be subject to the retailing classification of the B&O tax, but will be subject to the services and other activities classification currently taxed at 1.8 percent. This exemption expires on July 1, 2017.

**Part IX** - The expiration date for the B&O tax rate on manufacturers and wholesalers of solar energy systems using photovoltaic modules or stirling converters, or of solar grade silicon, silicon solar wafers, silicon solar cells, thin

film solar devices, or compound semiconductor solar wafers, is extended until June 30, 2017.

**Part X** - The expiration date for the existing sales and use tax exemption for hog fuel is delayed by 11 years, from June 30, 2013, until June 30, 2024. DOR must declare any hog fuel sales tax exemption claimed within the previous two calendar years to be immediately due and payable to DOR, if the taxpayer who claimed the exemption closes a facility resulting in the loss of jobs in Washington.

Taxpayers claiming the hog fuel exemption must file a complete annual survey with DOR. The survey includes the amount of tax preference claimed and employment, wage, and benefit information for each of the facilities in Washington at which the exemption is claimed. DOR must provide annual survey information to JLARC. The Employment Security Department and other agencies, upon request, must cooperate with JLARC by providing information about the average wage of employment in counties where the exemption is claimed. JLARC must review the performance of the tax preference with respect to its impact on jobs, wages, benefits, and the goal of retention of 75 percent of employment at the facilities at which the exemption was claimed. JLARC must report its findings to the Legislature by October 31, 2019.

**Part XI** - When sold to nonresidents of Washington, large private aircraft are exempt from state sales and use tax. Labor and services for repairing, cleaning, altering, or improving large private aircraft owned by a nonresident are exempt from sales and use tax. The tax exemption expires July 1, 2021.

Large private airplanes that are in Washington longer than 90 days, but are here either for: storage of longer than a year; or repairs, alterations, or reconstruction, are exempt from the state's \$15 registration fee. Large private airplanes are defined as weighing more than 41,000 pounds and not used primarily in interstate commerce or used by a government entity, and also as being assigned a weight designation applied to aircraft over 41,000 pounds by the Federal Aviation Authority.

Commercial aircraft engaged principally in commercial flying that constitutes interstate or foreign commerce, that are in Washington State longer than one year for the purpose of continual storage, are subject to the aircraft excise tax, which automatically makes them not subject to personal property tax.

**Part XII** - The definitions of qualifying blood bank and qualifying blood and tissue bank are expanded to include testing or processing of blood, on behalf of itself or another qualifying blood bank or qualifying blood and tissue bank. These expanded activities will be exempt from the B&O tax, retail sales and use taxes, and property taxes. These exemptions expire July 1, 2016.

**Part XIII** - Mint growers and processors are exempt from the sales and use taxes for the purchase of propane or

natural gas used to distill mint oil on a farm. The buyer must provide the seller with an exemption certificate in a form and manner prescribed by DOR in order to benefit from the exemption. This exemption expires on July 1, 2017.

**Part XIV** - Any article of personal property, valued at \$10,000 or less, purchased or received as a prize in a game of chance from a nonprofit organization or library for a fundraising activity is exempt from the use tax. This exemption expires on July 1, 2017.

**Part XV** - The expiration date for the sales and use tax exemption for machinery and equipment used in facilities that generate electricity from renewable energy is extended to January 1, 2020. Individuals that utilize the tax incentive must submit an annual report to DOR.

JLARC is required to include additional information in their tax preference review, with specific reference to the intent and performance milestones established in the legislative intent.

**Part XVI** - The expiration date for the sales and use tax exemption for machinery and equipment used in facilities that generate electricity from solar energy is extended by five years to June 30, 2018.

Machinery and equipment used to produce thermal heat using solar energy also qualifies for a sales and use tax exemption. The facility using exempt machinery and equipment cannot produce more than three million British thermal units per day.

**Part XVII** - Intent language and expiration dates are required on all new tax preferences. Expiration dates are not required of those tax preferences that clarify an ambiguity or correct a technical inconsistency.

**Votes on Final Passage:**

Second Special Session

Senate	43	5
House	66	25

**Effective:** July 1, 2013 (Parts III, X, XV, and XVI)  
 October 1, 2013  
 January 1, 2014 (Part XI)  
 July 1, 2015 (Section 203)

**ESSB 5891**

C 33 L 13 E 2

Concerning state technology expenditures.

By Senate Committee on Ways & Means (originally sponsored by Senators Hill and Hargrove).

Senate Committee on Ways & Means  
 House Committee on Government Operations & Elections

**Background:** The Department of Enterprise Services (DES) provides a variety of support services to state agencies and other governmental entities. DES combines services from the former departments of General

Administration and Printing, and sections of the former departments of Personnel and Information Services (DIS). Several divisions from the Office of Financial Management (OFM) are also part of the new agency. As part of the agency reorganization, a majority of service provision duties were transferred from DIS to Consolidated Technology Services (CTS), including server hosting, network administration, telephony, security administration, and email.

The Technology Services Board (TSB) consists of six members appointed by the Governor and four legislators. TSB focuses on information technology strategic vision and planning; enterprise architecture; policy and standards; and major project oversight.

Under the Personnel System Reform Act of 2002, state agencies are authorized to contract out for services if the displaced classified employees are provided an opportunity to provide an alternative to the contracting out. This process is known as competitive contracting.

TSB may approve contracting for services and activities related to the operation and management of the State Data Center. If approval is granted by TSB, CTS is exempt from the requirements for competitive contracting. Additionally, TSB may approve contracting for other services and activities by CTS if those services are recommended by the Chief Information Officer through a business plan and TSB approves. If approval is granted by TSB, those services and activities are exempt from the requirements for competitive contracting.

The Office of the Chief Information Officer (OCIO) is within OFM. OCIO is responsible for the preparation and implementation of a strategic information technology (IT) plan and enterprise architecture for the state. OCIO works toward standardization and consolidation of IT infrastructure and establishes IT standards and policies. OCIO prepares a biennial state performance report on IT, evaluates current IT spending and budget requests, and oversees major IT projects, including procurements.

**Summary:** OCIO must coordinate with state agencies with an annual IT expenditure that exceeds \$10 million to implement an IT business management program to monitor financial performance and identify savings and efficiencies. OCIO must develop statewide purchasing standards for technology networking equipment and services.

Competitive purchasing statutes do not apply to IT purchases by state agencies if the purchase is \$100,000 or less, the purchase is approved by OCIO, and the agency director and OCIO prepare a public document providing a detailed justification.

OCIO must evaluate proposed IT expenditures and establish a priority ranking of the proposals. Not more than one-third of the proposed expenditures may be ranked in the highest priority category.

Higher education institutions must provide OCIO with information on proposed expenditures on business and ad-

ministrative IT applications to allow OCIO to evaluate the expenditure.

Legislative and judicial agencies must provide OCIO with information on proposed IT expenditures to allow OCIO to evaluate the expenditure on an advisory basis.

Subject to funding, OFM may establish an IT investment pool and enter into contracts for IT purchases if the purchase replaces IT systems with more modern and efficient systems, or if the project improves the ability of an agency to recover from a major disaster.

CTS must review state telecommunications and information networks with the objective of agency network consolidation in CTS, with a report due to OFM and the Legislature in September 2013.

OCIO must inventory state legacy IT systems and develop a plan for modernization and funding, with a report due to OFM and the Legislature in September 2014.

OCIO must develop statewide standards for data security, and state agencies must prepare and annually update a data security plan. The existing public disclosure exemption for data security plans is clarified and refined.

**Votes on Final Passage:**

Senate 25 23

Second Special Session

Senate 46 0

House 90 2 (House amended)

Senate 48 0 (Senate concurred)

**Effective:** September 28, 2013

**2ESSB 5892**

C 14 L 13 E 2

Reducing corrections costs.

By Senate Committee on Ways & Means (originally sponsored by Senators Hargrove and Kline).

Senate Committee on Ways & Means

House Committee on Public Safety

**Background:** Drug Sentencing Grid. Washington's sentencing system is based on a determinate sentencing model to ensure that offenders who commit similar crimes and have similar criminal histories receive equivalent sentences and penalties. Generally, an offender who is convicted and receives a sentence of confinement greater than one year must serve that term of confinement in a state correctional facility (prison). An offender who is convicted and receives a sentence of confinement of less than one year must serve that term of confinement in a county correctional facility (jail). An offender's sentence may be reduced by earned release time earned through "good time," defined as good behavior and good performance. An offender can accumulate earned release time while serving a sentence and during pre-sentence incarceration.

Drug offenses committed on or after July 1, 2003, are divided into three seriousness levels and sentenced according to the drug grid. Offenders sentenced for Seriousness Level 1 Drug Offenses have a current offense of one of the following:

- possession or forged prescription of a controlled substance, legend drug, or marijuana;
- manufacturing, delivering, or possession with intent to deliver marijuana; or
- using a building for drug purposes.

For an offender who has a criminal history that includes three to five prior felony offenses, the court has the discretion to impose a sentence of between 6-18 months. The result is that the court may sentence the offender to either jail or prison for the same offense. This discretionary placement does not occur at any other seriousness level and for no other completed criminal offense.

Presentence Earned Release Time. Earned release time, widely known as "good time," refers to an amount of time for which an offender receives credit based upon different factors, including the nature of the offense for which he or she is serving time and the offender's behavior. The Department of Corrections (DOC) may reduce an offender's term of confinement through earned release time for good behavior and good performance and may take it away for disciplinary reasons. The term of confinement for an offender incarcerated for a serious violent offense or a sex offense that is a class A felony, on or after July 1, 2003, may not be reduced by more than 10 percent via earned release time. For other DOC offenders the term of confinement may not be reduced by more than 33 percent via earned release time.

Earned early release time in county jail facilities is provided for good behavior and good performance as determined by the correctional agency having jurisdiction. A jail offender incarcerated for a serious violent offense or a class A sex offense may not have his or her term of confinement reduced by more than 15 percent via earned release time. Other jail offenders may not have their term of confinement reduced by more than 33 percent via earned release time. By practice, 22 jail facilities offer a maximum of 25 percent earned release time.

An offender serving time in a county jail facility pending sentencing may earn early release time for that time spent in custody prior to being transferred to the DOC. When the offender is transferred from the county jail to the DOC, the county jail facility certifies to the DOC the amount of time the offender spent in custody at the facility and the amount of early release time earned.

**Summary:** The Drug Sentencing Grid is modified so that any offender who commits a Seriousness Level 1 Drug offense and has a criminal history score within the range of three to five, will serve their sentence in jail unless an exceptional sentence is imposed. The DOC must report impacts of changes to the drug sentencing grid to the

Legislature. The drug sentencing grid modifications sunset July 1, 2018.

For offenders transferred from a county jail to the DOC after sentencing, the county jail must certify to the DOC the amount of time the offender served in custody and the number of days of early release time lost or not earned, rather than the amount of early release time earned. The DOC must adjust the offender's rate of early release listed on the jail certification to be consistent with the rate applicable to offenders in the DOC's facilities. The DOC is not authorized to adjust the number of presentence early release days that the jail has certified as lost or not earned.

The DOC is required to recalculate the earned release date regardless of whether the offender's date of offense occurred prior to the effective date of the act. For offenders whose offense was committed prior to the effective date of the act, the DOC must take the time reasonably necessary to complete the recalculations but the recalculation may not extend the offender's term of incarceration.

**Votes on Final Passage:**

Senate 42 4

Second Special Session

Senate 38 10

House 55 36 (House amended)

Senate 39 9 (Senate concurred)

**Effective:** July 1, 2013

**ESSB 5897**  
C 15 L 13 E 2

Concerning state parks.

By Senate Committee on Ways & Means (originally sponsored by Senator Pearson).

Senate Committee on Ways & Means

House Committee on Community Development, Housing & Tribal Affairs

**Background:** State Parks Operations and Funding. The State Parks and Recreation Commission (State Parks) manages a system that includes 117 developed parks stretching across approximately 120,000 acres throughout the state.

Between 2001 and 2011, the Legislature took a number of policy and fiscal actions related to the funding of State Parks. These include, at various times, the use of funding mechanisms including parking fees, voluntary donations, and various fund transfers for the support of State Parks. During that period, the state general fund (GF-S) support ranged from a high of \$95 million in the 2007-09 biennium to a low of \$41 million in the 2009-11 biennium.

In 2011, the Legislature created the Discover Pass and generally required its purchase for access to state recreation lands, including state parks. The 2011 operating budget provided one-time funding of approximately \$17

million of GF-S funds to assist State Parks to move toward the goal of becoming a self-supporting agency. Due to lower than expected Discover Pass revenue, State Parks received an additional \$4 million in one-time funding from state aquatic lands revenue in 2012. While initial 2011 projections estimated approximately \$64 million in Discover Pass revenue for the biennium, actual revenue totaled about \$15.7 million for fiscal year 2012.

**Discover Pass Requirement Generally.** In general, a Discover Pass or day-use permit is required for any motor vehicle to park at or operate on recreation sites or lands managed by State Parks, the Department of Natural Resources (DNR), or the Department of Fish and Wildlife (DFW). Specific areas where a pass is required include state parks, DNR-managed uplands, and DFW wildlife areas and water access sites.

The statutory price of an annual Discover Pass is \$30, and a day-use permit is \$10.

**Litter Tax.** Established in 1971, the litter tax is levied on manufacturers, wholesalers, and retailers of products including groceries, tobacco products, soft drinks, and beer and wine. The tax rate is 0.015 percent of the value of products manufactured in the state and the gross proceeds of products sold at wholesale or retail. Revenues from the tax are deposited in the Waste Reduction, Recycling, and Litter Control Account (account). Generally, funds in the account are allocated as such:

- 50 percent for state litter control programs;
- 20 percent for local government funding for waste reduction, litter control, and recycling activities; and
- 30 percent for waste reduction and recycling efforts.

**Summary:** State Parks, DNR, and DFW may mutually agree to sell discounted Discover Passes or day-use permits under certain circumstances. The discounts apply for purposes of bulk sales to retailers, agency license and permit bundling, and partnership opportunities to expand the visibility of the passes and recreation on state lands. The agencies must prioritize opportunities for discounted sales that result in net revenue gain.

Provides an exemption from the Discover Pass requirement for a motor vehicle operating on a road managed by DNR or DFW, including a forest or land management road that is not blocked by a gate.

Provides \$5 million per fiscal year in litter tax revenue for the operations and maintenance of State Parks over the next two biennia, ending June 30, 2017.

**Votes on Final Passage:**

Senate 44 3

**Second Special Session**

Senate 48 0

House 78 7

**Effective:** July 1, 2013 (Sections 5-7)  
September 28, 2013

Concerning high quality early learning.

By Senators Hill, Hargrove, Litzow and Billig.

Senate Committee on Ways & Means  
House Committee on Appropriations

**Background:** The Legislature established the Early Childhood Education and Assistance Program (ECEAP) in 1985. ECEAP is a comprehensive preschool program that provides free services and support to children ages three and four, and families whose income is under 110 percent of the federal poverty level. ECEAP includes early learning preschool, family support, and child health coordination and nutrition.

In 2010, the Legislature passed Second Substitute House Bill 2731, which established an early learning program for low-income and at-risk children ages three and four. It required the use of ECEAP as a starting point in 2011-12 school year, in terms of the number of funded slots and program standards. This legislation called for the phased implementation of an expanded program. Beginning in the 2018-19 biennium, the program must be statewide and serve any eligible child entitled to enroll.

**Summary:** During the 2013-15 biennium, ECEAP slots must be increased by 10 percent from 2011-13 levels and rates paid for these slots must also be increased by 10 percent from the 2011-13 levels. These increases are subject to amounts appropriated specifically for this purpose. The Department of Early Learning (DEL) must coordinate with the Office of Financial Management to develop an implementation plan for expanding the early learning program. This plan is due to the Legislature by September 30, 2013.

The Washington State Institute for Public Policy (WSIPP) will conduct a comprehensive retrospective outcome evaluation for ECEAP. This evaluation will assess short-term and long-term outcomes for the program. WSIPP will also review relevant research on components of successful early education program strategies. WSIPP will report to the Legislature by December 15, 2014.

RCWs 43.215.141 and 43.215.142, relating to expanding preschool, are recodified under the ECEAP sections within chapter 43.215.

**Votes on Final Passage:**

Senate 45 2

**Second Special Session**

Senate 46 2

House 80 10 (House amended)

Senate 46 2 (Senate concurred)

**Effective:** September 28, 2013

**E2SSB 5912**

C 35 L 13 E 2

Concerning driving under the influence of intoxicating liquor or drugs.

By Senate Committee on Ways & Means (originally sponsored by Senators Padden, Kline and Conway; by request of Governor Inslee).

Senate Committee on Law & Justice  
Senate Committee on Ways & Means

**Background:** A person can commit driving under the influence (DUI) or being in physical control of a motor vehicle under the influence (PC) of intoxicating liquor or any drug if the person drives with a blood or breath alcohol concentration (BAC) of 0.08 percent or higher, or is under the influence of or affected by liquor or any drug. A DUI or PC offense is punishable as a gross misdemeanor offense. It becomes a class C felony, ranked at level V on the sentencing grid, if a person has four or more prior offenses within ten years.

**Sentencing Reform Act (SRA) Scoring.** If a person's current conviction is a felony DUI or PC offense, then all prior felony DUI, PC, and serious traffic offenses are included in the person's score if (1) the prior convictions were committed within five years since the last date of release from confinement; or (2) the prior convictions are considered prior offenses within ten years. A prior offense is within ten years if the arrest for a prior offense occurred within ten years of the arrest for the current offense. Prior offenses include convictions for (1) DUI or PC; (2) vehicular homicide and vehicular assault if either was committed while under the influence; (3) negligent driving after having consumed alcohol – known as a wet neg, reckless driving, and reckless endangerment, if the original charge was DUI, PCI, vehicular homicide, or vehicular assault; and (4) an equivalent local DUI or PC ordinance or out-of-state DUI law. In addition, a deferred prosecution for DUI or wet neg is a prior offense even if the charges are dropped after successful completion of the deferred prosecution program.

**Electronic Home Monitoring (EHM).** The mandatory minimum penalties for a DUI or PC offense vary depending on the person's BAC and whether the person has prior offenses. The mandatory minimum penalties may include EHM, to be paid for by the offender. The court may also require the offender's EHM device to include an alcohol detection breathalyzer and may restrict the amount of alcohol the offender may consume during the time the offender is on electronic monitoring. The court may waive EHM under certain circumstances, such as when the offender lacks a dwelling or telephone services. Whenever the mandatory minimum term of EHM is waived, the court must impose an alternative sentence that can include jail time, work crew, or work camp.

**Penalty for Alcohol Concentration of at Least 0.15 Percent – With No Prior DUI or PC Convictions in Seven**

**Years.** In an impaired driving case where a person has a BAC of at least 0.15 percent, the offense is punishable by imprisonment of no less than two days, but no more than 364 days. Two consecutive days of the imprisonment may not be suspended or deferred unless the court finds that the imposition of the mandatory minimum sentence would impose a substantial risk to the offender's physical or mental wellbeing.

**Impaired Driving Offense With a Child in the Vehicle.** The state's drunk driving laws have a number of penalty enhancements for individuals convicted of DUI or PC offenses. Two enhancements apply to individuals arrested and convicted of DUI or PC when there is a minor passenger in the vehicle.

First, the court must order the person to use an ignition interlock device on the person's vehicle for six months on top of the mandatory ignition interlock requirement already applicable for a DUI or PC conviction. Second, if an individual is convicted of a gross misdemeanor DUI or PC offense with a child under the age of 16 years in the vehicle, monetary penalties are assessed based on the individual's prior convictions as such:

- no prior offenses – minimum of \$1,000 and maximum of \$5,000;
- one prior offense within seven years – minimum of \$2,000 and maximum of \$5,000; and
- two or three prior offenses with seven years – minimum of \$3,000 and maximum of \$10,000.

If an individual is convicted of a felony DUI, PC, vehicular assault DUI, or vehicular homicide DUI, and had a child under the age of 16 years in the vehicle at the time of the offense, a 12-month sentence enhancement for each child in the vehicle is added to the individual's standard sentence.

**Conditions of Probation.** Whenever a court imposes up to 364 days in jail for a person convicted of an impaired driving offense, the court also has jurisdiction over the offender for up to five years in order to supervise probationary sentences. Courts must impose conditions of probation that include the following: (1) not driving without a valid license and proof of financial responsibility for the future; (2) not driving while having a BAC of 0.08 percent or more within two hours after driving; and (3) not refusing to submit to a test to determine BAC when a law enforcement officer believes the person was driving or was in physical control of a motor vehicle while under the influence of alcohol. A violation of probation can result in incarceration and suspension of a person's license, permit, or privilege to drive.

**Arrest Without Warrant.** A police officer with probable cause to believe that a person committed or is committing a felony has the authority to arrest the person without a warrant. A police officer may also arrest a person without a warrant for committing a misdemeanor or gross misdemeanor offense, but only when the offense is committed



in the presence of the officer, except in certain enumerated situations.

**Establishment of DUI Courts.** Counties are authorized to establish and operate DUI courts for nonviolent offenders. Municipalities must enter into cooperative agreements with counties that have DUI courts to provide DUI court services.

**Deferred Sentences.** A deferred sentence means a sentence that will not be carried out if the defendant meets certain requirements, such as complying with the conditions of probation. Generally, deferred sentences are not available for gross misdemeanor DUI or PC offenses.

**Sentencing Enhancements.** Under SRA, the court must impose imprisonment in addition to the standard sentencing range if specific conditions for sentencing enhancements are met. Sentencing enhancements may apply in such situations as when the offender (1) was armed with a firearm or deadly weapon while committing certain felonies; (2) committed certain felonies while incarcerated; (3) committed certain drug offenses; (4) committed vehicular homicide while under the influence of alcohol or drugs; (5) committed a felony crime that was committed with sexual motivation; or (6) attempted to elude a police vehicle while endangering one or more persons.

**Aggravating Circumstances.** Generally, the standard sentencing range is presumed to be appropriate for the typical felony case. However, the law provides that, in exceptional cases, a court has the discretion to depart from the standard range and may impose an exceptional sentence, below the standard range with a mitigating circumstance, or above the range with an aggravating circumstance. SRA provides an exclusive list of aggravating circumstances that the court may consider aggravating circumstances or which a jury may consider in imposing an exceptional sentence above the standard range.

**Ignition Interlock Device. Ignition Interlock Certification Form.** The Washington State Patrol (WSP), by rule, provides standards for the certification, installation, repair, and removal of ignition interlock devices. Under WSP rules, the ignition interlock device must meet certain specifications. The device must meet or exceed minimum test standards of the model specifications for ignition interlock devices published under federal law.

**Ignition Interlock Test.** When a person's regular driver's license is reinstated and an ignition interlock device is required to be installed, that device must remain on the vehicle until the Department of Licensing (DOL) receives a declaration from the person's ignition interlock vendor certifying that there were no incidents in the four consecutive months prior to the date the requirement expires. An incident is an attempt to start the vehicle with a BAC of 0.04 percent or higher; failure to take or pass any required retest; or failure of the person to appear at the vendor when required.

**Driver's License. Commercial Driver's License.** A person can be disqualified from driving a commercial motor vehicle for a period of not less than one year if DOL re-

ceives a report that the person was convicted of a first violation of DUI; driving a commercial motor vehicle while the person's BAC is 0.04 percent or more; leaving the scene of an accident; using a motor vehicle in the commission of a felony; refusing to submit to a test to determine the person's alcohol or drug concentration; driving a commercial motor vehicle with a revoked, suspended, or canceled driver's license; or causing a fatality through the negligent operation of a commercial motor vehicle, including but not limited to the crimes of vehicular homicide and negligent homicide.

The statute does not address the grounds for disqualification from driving a commercial motor vehicle when a person is found with a chemical tetrahydrocannabinol (THC) concentration in the person's system. THC is a chemical found in marijuana.

**Summary: Arrest Without a Warrant.** A police officer must arrest and take into custody, pending release on bail, personal recognizance, or court order, a person without warrant when the officer has probable cause to believe that the person violated the DUI or PC laws and has a prior offense for DUI or PC within ten years (rush file).

**Ignition Interlocks.** As a condition of release from custody before arraignment or trial, a defendant who has a prior DUI, PC, vehicular homicide, or vehicular assault offense must be ordered to have a functioning IID installed with proof filed with the court within five business days of the date of release, or comply with the 24/7 Sobriety monitoring program, or both. IID restrictions must remain in effect until DOL receives a declaration, in the four prior consecutive months (1) there have been no attempts to start the vehicle with a breath concentration of .04 or more unless a subsequent test performed within ten minutes registers a lower breath alcohol concentration and the digital image confirms that the same person gave both samples; (2) a review of the digital image confirms that, after a failure to take a random test, the vehicle was not occupied by the driver at the time of the missed test; or (3) failure to pass a random retest with a breath concentration of .025 or lower unless a subsequent test performed within ten minutes registers a lower breath alcohol concentration and the digital image confirms that the same person gave both samples.

**Sentencing. No Prior DUI or PC Offenses.** Forty-eight consecutive hours (instead of two days) of a sentence of two to 364 days must not be suspended or deferred for a person with no prior DUI or PC offenses and who either refuses a breath or blood test or has a BAC of at least 0.15 percent unless it would impose a substantial risk to the offender's health or wellbeing.

**One Prior DUI or PC Offense.** If available, EHM can be replaced with community-based treatment for six months, if indicated by an alcohol assessment, along with 24/7 sobriety program monitoring.

**Two or Three Prior DUI or PC Offenses.** If available, the offender must be ordered to have six months of 24/7

sobriety program monitoring and, if indicated by an alcohol assessment, community-based treatment.

Felony DUI/PC. If a defendant's present conviction is for a felony DUI or PC offense, then all predicate crimes for the offense must be included in the offender score. The definition of a predicate offense is expanded to include cases where a deferred sentence was imposed in a prosecution for a negligent driving in the first degree, reckless driving, or reckless endangerment offense, when the original charge, which was pled down to a lesser charge, was filed as a DUI, PC, equivalent ordinance, vehicular homicide, or vehicular assault offense.

The Department of Corrections (DOC) must supervise offenders convicted of vehicular homicide, vehicular assault, or felony DUI or PC regardless of risk classification.

Impaired Driving Offense With a Child In the Vehicle. If a person is convicted of DUI or PC and the offense was committed while a passenger under the age of 16 was in the vehicle, additional incarceration must be ordered as:

- 24 hours if the person has no prior offenses;
- five days if the person has one prior offense within seven years; and
- ten days if the person has two or three prior offenses within seven years.

Driving on the Wrong Side of the Road. When setting penalties for DUI and PC offenses, the court must particularly consider whether during the commission of the offense, the defendant was driving in the opposite direction of the normal flow of traffic on a multiple-lane highway with a posted speed limit of 45 miles per hour or greater. For felony DUI and PC offenses, driving in the opposite direction of the normal flow of traffic on a multiple-lane highway with a posted speed limit of 45 miles per hour or greater can be an aggravating circumstance.

Civil Forfeiture. The court must consider whether a vehicle is subject to forfeiture in DUI, PC, and ignition interlock violation cases if a forfeiture has not already occurred.

Commercial Driver's License. A person is disqualified from driving a commercial motor vehicle for a minimum of one year if a report is received by DOL that the person was convicted of driving a motor vehicle with any measurable amount of THC in the person's system. Law enforcement must also issue an out-of-service order against a person who drives or is in physical control of a commercial vehicle while having THC in the person's system.

Operating an Employer's Vehicle. DOL may not waive and no employer may exempt an ignition interlock requirement within the first 30 days following installation of an IID after a first offense or for the first 365 days after an IID has been installed for second or subsequent convictions.

Courts. Municipalities are authorized to establish DUI courts and to provide DUI court services. Courts are

prohibited from deferring sentences for DUI or PC of intoxicating liquor or any drug. If a court orders EHM to include an alcohol detection breathalyzer, an alternate alcoholic monitoring device may alternatively be required. If the court determines that a wireless alcohol monitoring device is reasonably available, the court may require that device during the period of EHM.

Statewide 24/7 Sobriety Program. The statewide 24/7 sobriety program pilot project is established and administered by the Washington Association of Sheriffs and Police Chiefs (WASPC), effective January 1, 2014. Up to three counties and two cities may be selected to participate in the pilot project. Selections are made through a request for proposal process. Criteria are enumerated. The cities selected must not be within counties selected for the project. Other local jurisdictions are encouraged to establish 24/7 programs as soon as practicable. WASPC reports findings and results biennially.

WASPC may adopt policies and procedures for the administration of the 24/7 sobriety program to (1) provide for procedures and apparatuses for testing; (2) establish fees and costs for participation to be paid by the participants; and (3) require the submission of reports and information by law enforcement agencies within this state.

The 24/7 sobriety account is created to defray the costs of operating the program. The account can receive funds from a variety of sources, including activation and users fees. Funds from the account are used to defray reoccurring costs of the program. Participants' payment of fees are collected contemporaneously or in advance to fund the program and may not be waived or reduced.

Each county, through its sheriff, may participate in the 24/7 sobriety program. If a sheriff is unwilling or unable to participate in the 24/7 sobriety program, the sheriff may designate an entity willing to provide the service. It is the intent of the legislature that the program be implemented statewide by January 1, 2017.

The court may condition any bond, pretrial release, granting of a suspended imposition of sentence, suspended execution of sentence, probation, or release upon participation in the 24/7 sobriety program and payment of associated costs and expenses.

A participant who violates the terms of participation must be taken into custody and held for an appearance before a judge on the next judicial day. Penalties for violations are specified.

Ignition Interlock Certification Form. WSP is authorized to create, by rule, the statement for certifying ignition interlock devices. As a result, the ignition interlock certification form referencing the federal register and the federal standards is removed from WSP's statute.

Marijuana and THC. Marijuana and THC are added to a number of statutes dealing with DUI, PC, and negligent driving.

## ESSB 5913

**Ignition Interlock Program.** Any officer conducting field inspections of ignition interlock devices under the ignition interlock program must report violations by program participants to the court. The WSP may not be held liable for any damages resulting from any act or omission in conducting activities under the ignition interlock program, other than acts or omissions constituting gross negligence or willful or wanton misconduct.

During the 2013-2015 fiscal biennium, funds provided for the ignition interlock program at the WSP must be used to provide field officers to work directly with manufacturers, service centers, technicians, and participants in the program, but may include one non-commissioned staff not for administrative support. The funds must be used to supplement and not supplant other funds being used to fund the ignition interlock program.

**Impaired Driving Work Group.** An impaired driving work group is established to study effective strategies to reduce vehicle related deaths and serious injuries that are a result of impaired driving incidents. The work group must report its findings and recommendations to the Legislature by December 1, 2013.

### **Votes on Final Passage:**

#### Second Special Session

Senate	46	0
House	92	0

**Effective:** September 28, 2013  
January 1, 2014 (Sections 27, 28, and 30-32)

## ESSB 5913

C 17 L 13 E 2

Concerning a hospital safety net assessment and quality incentive program for increased hospital payments.

By Senate Committee on Ways & Means (originally sponsored by Senator Becker).

Senate Committee on Ways & Means  
House Committee on Appropriations

**Background:** Provider charges, either assessments, fees, or taxes, have been used by some states to help fund the costs of the Medicaid program. Under federal rules, this would include any mandatory payment where at least 85 percent of the burden falls on health care providers. States collect funds from providers and pay them back as Medicaid payments, and states can claim the federal matching share of those payments.

To conform to federal laws, assessments, fees, and taxes must be generally redistributive in nature and no hospitals are held harmless from the burden of the assessment, fee, or tax. The charges must be broad based and uniform, which means they must be imposed on all providers in a given class and the same rate must apply across providers. If a charge is not broad based and uniform it must meet statistical tests which demonstrate that the

amount of the charge is not directly correlated to Medicaid payments. Additionally, Medicaid payments for these services cannot exceed Medicare reimbursement levels.

The Legislature created a Hospital Safety Net Assessment (HSNA) program pursuant to Engrossed Second Substitute House Bill 2956 – hospital safety net assessment in 2010, and Engrossed House Bill 2069 – hospital payments/safety net in 2011. An assessment on non-Medicare inpatient days is imposed on most hospitals, and proceeds from the assessments are deposited into the HSNA Fund (Fund).

Money in the Fund may be used for various increases in hospital payments. In 2010 inpatient and outpatient payment rates were restored to levels in place on June 30, 2009. Beyond that restoration, most hospitals received additional payment rate increases for inpatient and outpatient services.

The sum of \$199.8 million in the 2011-13 biennium may be expended from the Fund in lieu of state General Fund payments to hospitals. An additional sum of \$1 million per biennium may be disbursed from the Fund for payment of administrative expenses incurred by the Health Care Authority (HCA) related to the assessment program.

The HSNA program expires on July 1, 2013. Upon expiration of the program, hospital rates will either return to the levels in place on June 30, 2009, or to a rate structure specified in the 2013-15 operating budget.

The Federal Balanced Budget Act of 1997 established the Critical Access Hospital (CAH) program. The program allows more flexibility in staffing and simplified billing methods, and it creates incentives to integrate health delivery systems. Washington currently has 38 hospitals certified as CAHs. Payments to CAHs under Washington's medical assistance programs are based on allowable costs.

Larger urban private hospitals are reimbursed under the Prospective Payment System (PPS) for inpatient services, and the Outpatient PPS for outpatient services.

The Certified Public Expenditures (CPE) program is a payment methodology that applies to public hospitals, including government owned and operated hospitals that are not CAHs or state psychiatric hospitals. The CPE program's payment method applies to inpatient claims and Disproportionate Share Hospital (DSH) payments. The CPE program allows public hospitals to certify their expenses as the state share in order to receive federal matching Medicaid funds, which means that the state does not need to contribute the matching share of these expenditures.

As part of the original HSNA program, the Department of Social and Health Services – now HCA, in collaboration with the Department of Health, the Department of Labor and Industries, the Washington State Hospital Association (WSHA), and the Puget Sound Health Alliance, was directed to design a system for providing quality incentive payments to hospitals.

The design of the system was required to be based upon evidence-based treatments and processes, effective purchasing strategies that involve the use of common quality improvement organizations, and quality measures consistent with the standards developed by national quality improvement organizations. The system was required to minimize reporting burdens on hospitals by giving priority to measures that hospitals are currently required to report to government agencies. Measures were required to be set at levels that are feasible for hospitals to achieve and represent real improvements in quality and performance for a majority of hospitals. Payments were required to be designed so that all non-CAHs are able to receive the payments.

Starting in fiscal year (FY) 2013, HCA could increase assessments to support an additional 1 percent increase in inpatient hospital payments for non-CAHs that meet quality incentive benchmarks.

**Summary:** The HSNA program is extended. The safety net assessment and the Fund will be phased down in equal increments over a four-year period starting in FY 2016 until the amounts are zero by the end of FY 2019.

The act specifies the intent of the Legislature:

- is to impose an HSNA to be used solely for the purposes specified in this act;
- is to generate approximately \$446,938,000 for FY 2014 and FY 2015, and then phasing down in equal increments to zero by the end of FY 2019, in state and federal funds to pay for Medicaid hospital services and grants to CPE hospitals;
- is to generate \$199,800,000 million in the 2013-15 biennium, phasing down to zero by the end of the 2017-19 biennium, in assessment funds per biennium to be used in lieu of state General Fund payments for Medicaid hospital services;
- is that the total amount assessed must not exceed the amount needed, in combination with all other available funds, to support the payments in this act; and
- is to condition the assessments on receiving federal approval for receipt of additional federal financial participation and on continuation of other funding sufficient to maintain aggregate payment levels to hospitals for inpatient and outpatient services covered by Medicaid at least at the levels the state paid for those services on July 1, 2009, without the payment increases provided under the original HSNA program.

**Assessments.** The hospital assessments are based on the number of non-Medicare inpatient days. The amount of the assessment varies by hospital type and is reduced if a PPS hospital has more than 54,000 patient days per year. If required to obtain federal matching funds, that threshold may be adjusted to comply with federal requirements.

The assessments range from \$7 to \$345 depending on the type of hospital and number of patient days. HCA will calculate the amounts due annually and collect the assessments on a quarterly basis.

If sufficient other funds are available to make the increased payments, including the quality incentive payments, HCA will reduce the amount of the assessments to the minimum levels necessary to support those payments. Any actual or estimated surplus in the Fund at the end of an FY must be applied to reduce the assessment amounts in the following FY.

If the assessments will not produce sufficient funds to support the increased hospital payments, including the quality incentive payments, HCA may increase the assessment rates proportionately by category of hospital to amounts no greater than necessary to make the payments.

HCA, in cooperation with the Office of Financial Management, must develop rules for calculating the assessments to individual hospitals, notifying hospitals of the assessed amounts, and collecting the amounts due.

HCA must provide data to WSHA for review and comment at least 60 days before implementation of any revised assessment levels.

Hospitals must treat the assessments as operating overhead expenses, and they may not pass on the costs of the assessments to patients or others. HCA may require hospital chief financial officers to submit certified statements that they did not increase charges or billings as a result of the assessments.

**Increased Hospital Payments.** The increases in hospital payment rates provided under the original HSNA program are replaced with grants to CPE hospitals; supplemental payments to PPS, psychiatric, and rehabilitation hospitals; and increased managed care payment rates.

**Grants to CPE Hospitals.** Public CPE hospitals receive grants from the Fund every FY. Starting in FY 2016, the grants from the Fund will be reduced in equal increments to zero by the end of FY 2019. The initial allocations in FY 2014 and FY 2015 include the following:

- the University of Washington Medical Center receives \$3.3 million;
- Harborview Medical Center receives \$7.6 million; and
- other CPE hospitals receive \$4.7 million divided between the individual hospitals based on total Medicaid payments.

**Fee-for-Service (FFS).** HCA will provide supplemental payments from the Fund to PPS, psychiatric, rehabilitation, and border hospitals based on prior FFS utilization of inpatient and outpatient services every FY. Starting in FY 2016, the supplemental payments are reduced in equal increments from FY 2016 to zero in FY 2019. These payments will also include additional federal matching funds.

The initial allocations in FY 2014 and FY 2015 include the following:

- the PPS hospitals will receive \$28,125,000 for inpatient payments and \$24,550,000 for outpatient payments;
- psychiatric hospitals will receive \$625,000 for inpatient payments;
- rehabilitation hospitals will receive \$150,000 for inpatient payments; and
- border hospitals will receive \$250,000 for inpatient payments and \$250,000 for outpatient payments.

If HCA cannot disburse the entire amount of supplemental payments because the payments exceed the maximum allowable amount under federal law, HCA will disburse the maximum allowable amount on supplemental payments and use the remaining assessment funds to increase payments to managed care organizations to the maximum allowable level. HCA will use any remaining surplus assessment funds to proportionately reduce future assessments on PPS hospitals.

Rural CAHs receive \$1.9 million in FY 2014 and FY 2015 from the Fund plus federal matching funds in DSH payments, reduced in equal increments to zero in FY 2019. CAHs that are not eligible for DSH receive \$520,000 in FY 2014 and FY 2015, reduced in equal increments to zero in FY 2019 that is divided between the individual hospitals based on total Medicaid payments.

*Managed Care.* HCA will also use monies from the Fund to increase capitation payments to managed care organizations by an amount at least equal to the amount available in the Fund after deducting disbursements for other specified purposes. The amount will be no less than \$153,131,600 in FY 2014 and FY 2015, decreasing in equal increments to zero in FY 2019, along with the maximum available amount of federal funds. Payments to individual managed care organizations will be divided based on anticipated enrollment, utilization, or other factors that are reasonable and appropriate. HCA will require managed care organizations to spend these funds for hospital services within 30 days after receipt. In FYs 2015, 2016, and 2017, HCA will use any additional federal matching funds available for the increased managed care payments resulting from the Medicaid expansion under the federal Affordable Care Act to substitute for assessment funds that otherwise would be used for the increased capitation payments. If total payments to managed care organizations exceed what is permitted under Medicaid laws and regulations, payments will be reduced to levels that meet the requirements and the balance of assessment funds remaining will be used to reduce future assessments.

The sum of \$199.8 million in the 2013-15 biennium, phasing down to zero by the end of the 2017-19 biennium may be expended from the Fund in lieu of state General Fund payments to hospitals.

Quality Incentive Payments. If sufficient funds are made available, HCA and WSHA must design a quality incentive payment system based on the following principles:

- evidence-based treatment and processes to improve health outcomes for hospital patients;
- effective purchasing strategies to improve quality;
- quality measures chosen for the system should be consistent with the standards that were developed by the national quality improvement organizations;
- benchmarks for each quality improvement measure should be set at levels that are feasible for hospitals to achieve; and
- incentive payments should be designed so that all non-CAHs are able to receive the payments if performance is at or above the benchmark score.

Conditions. The HCA must offer to contract with a hospital that is required to pay the assessment for two-year periods each fiscal biennium. The HCA must agree to maintain the levels of the assessment, reimbursement rates, and increased payments during that period. In exchange, the hospitals must agree not to challenge, administratively or in court, the adequacy of the reduced reimbursement rates in place after the rate restorations and increases from the current HSNA program are removed.

Expiration. The chapter expires July 1, 2017.

**Votes on Final Passage:**

Senate 35 11

Second Special Session

Senate 33 13

House 70 22

**Effective:** June 30, 2013

**ESSB 5946**

PARTIAL VETO

C 18 L 13 E 2

Strengthening student educational outcomes.

By Senate Committee on Ways & Means (originally sponsored by Senators Dammeier and Frockt).

Senate Committee on Ways & Means

**Background:** *Reading and Early Literacy.* In 2010 the Office of the Superintendent of Public Instruction (OSPI) received funds from the U.S. Department of Education to develop a Comprehensive Literacy Plan (Plan) intended to provide guidance and support for parents, early learning providers, teachers, and literacy experts. Other state policies to support reading and early literacy include the Washington Reading Corps and a second grade reading assessment conducted by school districts for diagnostic purposes.

The statewide student assessment in grades 3 through 8 is called the Measurements of Student Progress (MSP).

The following table from the OSPI website shows the results from the MSP in third grade reading for 2011-12:

Performance Level	%	Number
Level 4: Advanced	32.1%	24,644
Level 3: Proficient	35.7%	27,434
Level 2: Basic	21.8%	16,731
Level 1: Below Basic	8.4%	6,430
Special Education Portfolio	–	777
No Score/Not Included	–	1,701

Recently, Washington revised its student learning standards in reading, writing, and mathematics, which in 2011 the OSPI adopted the Common Core State Standards as the state learning standards for English Language Arts (ELA) and mathematics. Assessments based on these standards are being developed by a multistate consortium and are scheduled to be administered for the first time in the 2014-15 school year.

**Learning Assistance Program.** The Learning Assistance Program (LAP) provides instructional support for students who are performing below grade level in reading, writing, and mathematics. School districts must submit an annual plan that identifies the activities to be conducted and the proposed expenditure of funds. A range of services and activities may be supported by LAP funds. The plan is required to have a number of specified elements and must be approved by the OSPI. School districts have flexibility in determining which students and which schools receive LAP funds.

**Readiness to Learn (RTL).** The RTL program provides support to students who are significantly at-risk by rigorously combining school and community-based resources as a means to reduce barriers to learning, bolster student engagement, and ensure that all children are able to attend school, ready to learn.

**Student Discipline.** Each school district board of directors is required to adopt written policies regarding student conduct and discipline. The OSPI must adopt rules providing due process protections of students subject to disciplinary action.

Short-term suspensions may not exceed 10 days. Long-term suspensions last longer than 10 days. Expulsions may last for an indefinite period of time.

Individual student data on disciplinary actions is recorded in the statewide student information system (CEDARS), including disciplinary actions related to bullying, tobacco, alcohol, illicit drugs (other than marijuana), fighting without major injury, violence without major injury, violence with major injury, possession of a weapon, other behavior resulting in suspension or expulsion, serious bodily injury, and marijuana.

**Support for Beginning Educators.** In 2009 the Legislature redesigned the Teacher Assistance Program to create a grant program called the Beginning Educator Support Team (BEST). The BEST, which is established only in budget proviso, must include a paid orientation; assignment of a qualified mentor; development of a profes-

sional growth plan for each beginning teacher; and release time for mentors and new teachers. The 2011-12 grant recipients included two school districts and three regional consortia serving 26 additional school districts. The 2011-13 biennial operating budget provided \$2 million for BEST.

**Professional Development and Compensation.** From 1993 to 2010 the Legislature provided funding for learning improvement days (LIDs) as a way to provide state support for professional development for educators. Current law provides that to the extent funds are appropriated, OSPI, in cooperation with the Educational Service Districts (ESD) and the Washington State School Directors' Association (WSSDA), must conduct an annual training meeting for certain regional and school district employees, including school district superintendents and boards of directors. Training may also be provided upon request.

School districts may exceed state-funded salary allocations for certificated instructional staff (CIS) through a supplemental contract for additional time, responsibilities, incentives, or innovations (TRII). The TRII contracts may not cause the state to incur any present or future funding obligation.

**Alternative Learning Experience Programs.** Alternative Learning Experience (ALE) programs provide a way for students to be enrolled in public education without being required to meet the in-class seat-time requirements for regular instruction. They also provide a way for school districts to claim students enrolled in nontraditional programs for purposes of state funding.

There are three primary types of ALE programs identified in statute: online programs; parent partnership programs that include significant participation by parents in the design and implementation of the student's learning; and contract-based learning. An online course is defined as one where the course content is delivered electronically using the internet or other computer-based methods, and more than half of the teaching is conducted from a remote location using an online learning management system.

Legislation enacted in 2011 directed the OSPI to reduce funding for the ALE programs by an average of 15 percent during the 2011-12 and 2012-13 school years. Under the OSPI implementation scheme, funding was differentiated based on the amount of in-weekly inperson instructional contact received by a student.

State law strongly encourages school districts to honor requests by students to enroll in another school district. Nonresident school districts may reject a transfer application based on student disciplinary history or financial hardship on the district. According to the OSPI, nearly 74 percent of the full-time equivalent (FTE) enrollments in online ALE programs are nonresident students enrolling in another district.

**Summary: Reading and Early Literacy.** The OSPI must assist school districts to support reading and early literacy and if funds are appropriated, must deliver professional

development in reading instruction for kindergarten through fourth grade (K-4) teachers. School districts are responsible for providing a comprehensive system of instruction and services in early literacy for K-4 students, including use of screening and diagnostic assessments and research-based family involvement strategies.

Report cards for K-4 students must include information on whether the student is reading at grade level. The teacher, with support of other school personnel as appropriate, must explain to the parent or guardian which interventions will be used to help improve the student's reading skills. A statewide report using disaggregated student data must be developed annually on the reading levels of K-4 students and submitted to the legislative Education Committees and the Educational Opportunity Gap Oversight and Accountability Committee.

Beginning in the 2014-15 school year, for any student who scores at a Level I (Below Basic) on the third grade ELA assessment:

- A meeting must be scheduled before the end of the school year with the student's parent or guardian to discuss appropriate grade placement and intensive improvement strategies.
- For students to be placed in fourth grade, the discussion must include an intensive improvement strategy that includes a summer program or other option identified as appropriately meeting the student's need to prepare for fourth grade.
- The student's parent or guardian must be fully informed and their consent must be obtained for the grade placement and improvement strategy, which must then be implemented by the district.

Students in special education are exempt from these policies because communication with parents and improvement strategies are based on the student's individualized education program (IEP). English language learner students are also exempt unless they have been enrolled in the Transitional Bilingual Instruction Program for three school years.

Beginning in the 2015-16 school year, school districts must implement an intensive reading improvement strategy from a state menu of best practices or an approved alternative for students scoring at Level I or Level II (Basic) on the third grade ELA assessment in the previous year. This policy does not apply to students in special education where the reading improvement strategy is based on the student's IEP.

In addition, school districts must implement a strategy from the state menu or an approved alternative for all K-4 students in any school where more than 40 percent of students scored at Level I or Level II on the third grade ELA in the previous year.

The OSPI must convene a panel of experts that includes the Washington Institute of Public Policy to develop the state menu, which must also include strategies for

English language acquisition and system improvements to improve reading instruction for all students. The menu must be published by July 1, 2014, and be updated annually. A school district may use an alternative strategy that is not on the menu for two years. A district that demonstrates improvement in outcomes equivalent to the strategies on the menu may continue using the alternative, subject to annual renewal by the OSPI.

*Learning Assistance Program.* The purpose of the LAP is expanded to include reducing disruptive behaviors in the classroom as well as assisting underachieving students. School districts must focus first on addressing the needs of K-4 students who are deficient in reading or reading readiness skills. Employment of parent and family engagement coordinators is an authorized use of LAP funds. LAP funds may also be used for Readiness to Learn activities.

Beginning in the 2016-17 school year, school districts may enter cooperative agreements for administrative or operational costs needed to provide services in accordance with the state menus.

The requirement for school districts to submit LAP plans for OSPI approval is repealed. Instead, districts are required beginning in the 2014-15 school year to record annual entrance and exit performance data for LAP students in the CEDARs. Districts must also submit an annual report documenting academic growth for LAP students and specific practices and activities in each building supported by LAP funds. The OSPI must compile the district data and report annual and longitudinal performance gains, disaggregated by student subgroup and by instructional practice or activity. The OSPI must also monitor the effectiveness of district LAP practices and offer technical assistance.

In addition to the state menu for reading improvement strategies, the OSPI must convene a panel of experts that includes the Washington State Institute for Public Policy to develop menus of best practices for other interventions and support provided through the LAP. The state menus must be published by July 1, 2015, and be updated annually. Beginning in the 2016-17 school year school districts may use a strategy for other LAP support that is not on the menu for two years. A district that demonstrates improvement in outcomes equivalent to the strategies on the menu may continue using the alternative, subject to annual renewal by the OSPI. School districts are encouraged to use the best practices menus before they are required.

*Student Discipline.* The OSPI must convene a discipline task force to develop standard definitions for causes of student discipline and data collection standards for disciplinary actions taken at the discretion of the school district. The standards must include data about educational services provided while a student is subject to a disciplinary action. The OSPI must revise the statewide student data system to incorporate the standards recommended by the discipline task force and begin collecting data through

the CEDARS beginning in the 2015-16 school year. In addition, school districts must collect specified disaggregated and cross-tabulated data for nine categories of student behavior and seven categories of interventions, as well as the number of days of suspension or expulsion. This data must be made available on the OSPI website.

Suspensions or expulsions may not last for an indefinite period of time. Emergency expulsions must end or be converted to another form of corrective action within ten school days from removal from school. Notice and due process rights must be provided when an emergency expulsion is converted to another form of corrective action.

Any suspension or expulsion from school that lasts more than ten days must have an end date no later than one calendar year from the time of the suspension or expulsion. A school may petition the superintendent of the school district based on public health or safety to exceed the calendar year limitation on suspensions and expulsions. The Superintendent of Public Instruction must adopt policies and procedures outlining the limited circumstances for exceeding the limitation, including safeguards that every effort has been made to plan for the student's return to school.

Schools should make efforts to allow students who have been suspended or expelled to return to an educational setting as soon as possible and convene a school reentry meeting with the student and student's parents within 20 days of the long-term suspension or expulsion. School districts must create a reengagement plan tailored to the student's individual circumstances, including consideration of the incident that led to the long-term suspension or expulsion. Reentry meetings are not intended to replace a petition for readmission.

*Support for Educators.* The Educator Support Program (ESP) is established with two components: BEST and continuous improvement coaching. If funds are appropriated, the OSPI must allocate funds for BEST on a competitive basis, with a priority given to low-performing schools. Required components of BEST are specified. Statutes pertaining to the Teacher Assistance Program are repealed. Subject to a separate specific appropriation, BEST components may be provided for continuous improvement coaching of educators on probation due to performance issues.

*Alternative Learning Experience Programs.* Descriptions and references to three types of ALE programs are replaced by definitions of three types of ALE courses (or grade-level coursework for elementary grades):

1. A site-based course is one where a student has in-person instructional contact for at least 20 percent of the total weekly time for the course.
2. A remote course is one where a student has in-person instructional contact for less than 20 percent of the total weekly time for the course, but is not an online

course. There is no minimum in-person contact requirement for remote courses.

3. An online course has the same definition as current law, with the additional stipulation that a certificated teacher has the primary responsibility for the student's instructional interaction.

Instructional contact must be with a certificated teacher for the purpose of teaching, review of assignments, testing, evaluation, or other learning activities identified in the student's learning plan. Instructional contact may occur in a group setting and may be delivered either in-person or remotely using technology. In-person contact means face-to-face instructional contact in a physical classroom environment.

The OSPI rules regarding weekly contact must reduce documentation requirements, particularly for students making satisfactory academic progress, and be tailored to the different aspects of the types of courses. High school ALE courses must meet district or state graduation requirements and be offered for credit. Beginning with the 2013-14 school year, school districts must denote the type of ALE course in the statewide student information system. From 2013-14 through 2016-17 school districts must pay costs associated with a biennial measure of student outcomes and financial audit of ALE courses conducted by the State Auditor's Office.

Online programs may seek a waiver from the OSPI to administer the state assessments for grades 3 through 8 on alternate days or an alternate schedule within the established testing period. The request may be denied if the proposal does not maintain adequate test security or would reduce the reliability of results by providing an inequitable advantage for some students.

Statutes pertaining to ALE courses are placed in a new RCW Title, and a section of law pertaining only to online programs that duplicates other laws and rules is repealed.

Beginning with the 2013-14 school year, the OSPI must allocate funding for ALE courses based on the statewide annual average allocation for a high school student in general education, excluding any small high school enhancements.

A resident district must release a student wishing to enroll in another school district if the purpose is to enroll in an online learning program. The OSPI must develop a standard form to be used by all districts when releasing students to enroll in online learning programs. The OSPI must adopt rules establishing procedures for how the counting of students must be coordinated by resident and nonresident districts so that no student counts for more than one FTE.

A nonresident district may deny the transfer of a student who has repeatedly failed to comply with requirements for participation in an online learning program. A school district offering an ALE course to a nonresident



student must inform the resident district if a student drops out or is no longer enrolled.

**Votes on Final Passage:**

Second Special Session

Senate	26	22	
House	69	23	(House amended)
Senate	46	2	(Senate concurred)

**Effective:** June 30, 2013 (Section 503)  
September 28, 2013

**Partial Veto Summary:** The Governor vetoed intent language regarding school and student experiences that was not necessary to implement the substantive provisions of the act; and the requirement for the Office of Financial Management (OFM) to conduct a study on funding alternative learning experience courses because no funding was provided for OFM to conduct the study.

**VETO MESSAGE ON ESSB 5946**

*June 30, 2013*

*To the Honorable President and Members,  
The Senate of the State of Washington*

*Ladies and Gentlemen:*

*I am returning herewith, without my approval as to Sections 304 and 515, Engrossed Substitute Senate Bill 5946 entitled:*

*"AN ACT Relating to strengthening student educational outcomes."*

*This legislation includes reforms to improve student achievement, which includes strategies to address early elementary school literacy, strengthening the learning assistance programs, reforming the approach to long-term student suspensions, and clarifications regarding the alternative learning experience program.*

*Section 304 is an intent section that discusses various experiences of schools and students, and is not necessary to interpret or implement the substantive provisions of the bill. For this reason, I have vetoed section 304.*

*Section 515 requires the Office of Financial Management by November 1, 2013, to complete a study, in consultation with various stakeholders, to create a proposal for efficiently and sustainably funding alternative learning experience courses and to recommend steps to increase the focus of educational outcomes. Given the short timeline for completion, the Office would need to contract for the work, and no funding was provided to the Office to conduct the study. For these reasons, I have vetoed section 515.*

*For these reasons I have vetoed Sections 304 and 515 of Engrossed Substitute Senate Bill 5946.*

*With the exception of Sections 304 and 515, Engrossed Substitute Senate Bill No. 5946 is approved.*

*Respectfully submitted,*



*Jay Inslee  
Governor*

Concerning state procurement of goods and services.

By Senators Braun, Chase, O'Ban, Keiser, Padden, Hill, Holmquist Newbry, Becker and Brown.

Senate Committee on Ways & Means

**Background:** In 2011, laws were enacted consolidating procurement functions of the Department of General Administration, the Department of Information Services, and the Office of Financial Management into the newly created Department of Enterprise Services (DES). DES was tasked with effecting the reform and consolidation of state procurement practices and providing a report to the Governor with procurement reform recommendations by December 31, 2011.

Legislation reflecting these recommendations was enacted in 2012. The 2012 legislation included a grant of authority to DES to prohibit ("debar") a contractor, individual, or other entity from submitting a bid, having a bid considered, or entering into a state contract for a period up to three years as a result of a conviction of a criminal relating to a public or private contract; conviction under state or federal law for embezzlement, theft, forgery, bribery, falsification or destruction of records, receiving stolen property, antitrust, or any other offense indicating a lack of business integrity or business honesty; and other specified misconduct relating to contracts. A decision to debar must be issued by the Director in writing, must state the reasons for the action taken, and must inform the debarred contractor of his or her rights to judicial or administrative review.

Through the federal Medicaid program, the state and federal governments provide medical, dental, behavioral health, and long-term care to an average of 1.2 million low-income Washingtonians each month. The Medicaid Fraud Control Unit in the Office of the Attorney General (AG) investigates cases of suspected fraud in the Medicaid program.

Under the Federal False Claims Act, entities that submit false or fraudulent claims for federal government funds may be liable for a civil penalty. In 2012, the Legislature enacted a similar state Medicaid Fraud False Claims Act.

**Summary:** The grounds for an action by DES to debar state contractor under the state debarment statute are expanded to include final determinations in civil actions, fraud, and violations of either the Federal False Claims Act of the state Medicaid Fraud False Claims Act.

**Votes on Final Passage:**

Second Special Session

Senate	48	0
House	92	0

**Effective:** September 28, 2013

## SJM 8001

Requesting that Interstate 5 be named the "Purple Heart Trail."

By Senators Sheldon, Bailey, Holmquist Newbry, Becker, Cleveland, Carrell, Frockt, Delvin, Padden, Ericksen, Dammeier, Rivers, Benton, Honeyford, Braun, Hill, Parlette, Roach, Tom, Schoesler, King, Hewitt and Conway.

Senate Committee on Transportation  
House Committee on Transportation

**Background:** The Purple Heart Medal is awarded to members of the armed forces of the United States who are wounded or killed in military action. The Purple Heart Trail was established in 1992 by the Military Order of the Purple Heart and is intended to create a symbolic and honorary system of roads, highways, bridges, and other monuments that give tribute to those who have been awarded the Purple Heart Medal. The Purple Heart Trail originates at a monument in Mt. Vernon, Virginia, and various roads, bridges, and monuments are designated as part of the Purple Heart Trail in 45 states and Guam, including Interstate 5 in California.

Current law authorizes the Washington State Transportation Commission (WSTC) to name or rename state transportation facilities, such as state highways, bridges, and ferry terminals. The entity or person requesting the naming must provide evidence, as determined by the WSTC, indicating community support and acceptance of the proposal. Historically, the Legislature passing a memorial in support of a naming proposal has been considered by the WSTC as a measure of community support.

The WSTC typically holds public hearings on naming proposals to collect additional input from residents, elected officials, and other groups who represent the area encompassing the transportation facility to be named.

**Summary:** The Legislature requests that the WSTC rename Interstate 5 from the Canadian border to the Oregon State line the Purple Heart Trail.

**Votes on Final Passage:**

Senate	49	0	
House	97	0	(House amended)
Senate	48	0	(Senate concurred)

## SJM 8005

Requesting that state route number 117 be designated as the POW/MIA Memorial Highway.

By Senators Hargrove, King, Sheldon, Eide, Hobbs, Hatfield, Benton, Padden, Shin and Chase.

Senate Committee on Transportation  
House Committee on Transportation

**Background:** Current law authorizes the Washington State Transportation Commission (WSTC) to name or rename state transportation facilities. The process to name or rename a facility can be initiated by the Washington State Department of Transportation (WSDOT), state and local governmental entities, citizen organizations, or by any individual person. In order for WSTC to consider the proposal, the requesting entity must provide sufficient evidence indicating community support and acceptance of the proposal. This evidence can include a letter of support from the state or federal legislator representing the area encompassing the facility to be renamed. Other evidence that would provide proof of community support includes a resolution passed by other elected bodies in the impacted area, WSDOT support, and supportive action from a local organization such as a chamber of commerce.

**Summary:** WSTC is requested to commence proceedings to name Highway 117 in Clallam County between the junction of Highway 101 and Marine Drive in the city of Port Angeles as the POW/MIA Memorial Highway. Copies of the memorial must be forwarded to the Secretary of Transportation, WSTC, and WSDOT.

**Votes on Final Passage:**

Senate	48	0	
House	93	0	(House amended)
Senate	48	0	(Senate concurred)

## ESSCR 8401

Creating a joint select committee on health care oversight.

By Senate Committee on Health Care (originally sponsored by Senators Keiser, Becker, Frockt, Dammeier and Schlicher).

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

**Background:** Several state agencies have a role in implementing health care policy in this state. Among them are the Office of the Insurance Commissioner (OIC), the Department of Health (DOH), the Department of Social and Health Services (DSHS), and the Health Care Authority (HCA). Another part of the state's health care policy is the newly created Health Benefit Exchange (HBE), which was established as a public-private partnership, separate and distinct from the state. These agencies and the HBE are not mandated to coordinate their activities.

**Summary:** A Joint Select Committee on Health Care Oversight (Committee) is established. The Committee's membership consists of the chairs of the Health Care Committees of the Senate and the House of Representatives, who will serve as co-chairs. Additionally, four members of the Senate and four members of the House of Representatives will be appointed, two each by each of the largest political parties in each body. The Governor may

## SUNSET LEGISLATION

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appoint a nonvoting member as a liaison to the Committee.

The Committee must provide oversight between HCA, HBE, OIC, DOH, and DSHS. This oversight must include monitoring each agency's activities to ensure they are not duplicating their efforts and are working towards a goal of increased quality of service which will then lead to reduced costs to the health care consumer. The Committee must coordinate with the Research and Analysis Division of DSHS to monitor health care cost trends. The Committee must also, as necessary, propose legislation and budget recommendations to the Legislature.

The Joint Select Committee on Health Reform Implementation is expired.

### **Votes on Final Passage:**

Senate	47	0	
House	84	11	(House amended)
Senate	48	0	(Senate concurred)

## SUNSET LEGISLATION

**Background:** The Legislature adopted the Washington State Sunset Act (43.131 RCW) in 1977 in order to improve legislative oversight of state agencies and programs. The sunset process provides for the automatic termination of selected state agencies, programs, units, subunits, and statutes. Unless the Legislature provides otherwise, the entity made subject to sunset review must formulate the performance measures by which it will ultimately be evaluated. One year prior to an automatic termination, the Joint Legislative Audit and Review Committee (JLARC) and the Office of Financial Management conduct program and fiscal reviews. These reviews are designed to assist the Legislature in determining whether agencies and programs should be terminated automatically or reauthorized in either their current or a modified form prior to the termination date.

**Summary:** Legislation modified sunset reviews for:

- HB 1860 which extends the expiration date on the sunset review process itself, changing the expiration date from June 30, 2015, to June 30, 2025. The bill was at the request of JLARC's Executive Committee.
- SHB 1466 which makes a number of changes to the statutes on alternative public works contracting procedures and establishes a new sunset date for the alternative procedures of June 30, 2021. The statutes had been scheduled to terminate on June 30, 2013, and JLARC staff had recommended that the Legislature reauthorize the statutes.

## Section II: Budget Information

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# 2013-15 Omnibus Budget Overview

## Operating Only

### **Background to the 2013 Budget Problem**

#### **Context**

The Legislature entered the 2013 session with a slowly improving economy as well as rising caseload and per capita costs. In addition, the Legislature faced the challenge of addressing the state Supreme Court's decision in *McCleary v. State of Washington*, 173 Wn.2d 477 (2012) (relating to K-12 funding).

#### **Projected Revenue**

Above average growth in Near General Fund-State revenue collections ended in FY 2007. Over the next three years, Near General Fund-State revenue collections declined nearly 15 percent, reaching their low point in FY 2010. Year-over-year revenue collections have increased since that time with FY 2013 becoming the first year revenue collections exceeded pre-recession levels.

Going into the 2013-15 Biennium, after accounting for the expiration of two temporary tax surcharges (one relating to the business and occupation tax and the other relating to the beer tax), forecasted revenue was expected to grow at an annual average rate of 2.9 percent (generating approximately \$1.8 billion).

#### **Projected Spending**

In developing the 2011-13 budget, policy savings totaled almost \$4.5 billion. Of that amount, almost \$1 billion were one-time in nature. The cost of continuing current programs from the 2011-13 operating budget (including caseload changes) as well as complying with current laws (including Initiative-732) also increased from the 2011-13 biennium to the 2013-15 biennium.

Going from the 2011-13 biennium to the 2013-15 biennium, the estimated impact of one-time reductions, caseload changes, and meeting other existing statutory requirements resulted in average annual spending growth of approximately 3.7 percent (increasing projected spending from \$31.2 billion in 2011-13 to \$33.6 billion in 2013-15).

In addition, the operating budget for 2013-15 also included \$1.7 billion in additional policy enhancements. Some of the largest items include: 1) \$1 billion in increased spending for K-12 education; 2) \$199 million in increased state support for higher education institutions as well as the College Bound Program; 3) \$146 million for home care worker compensation; 4) \$45 million for early learning programs and increased child care rates; and 5) \$250 million for a variety of other items.

#### **Projected Shortfall (Before 2013 Actions)**

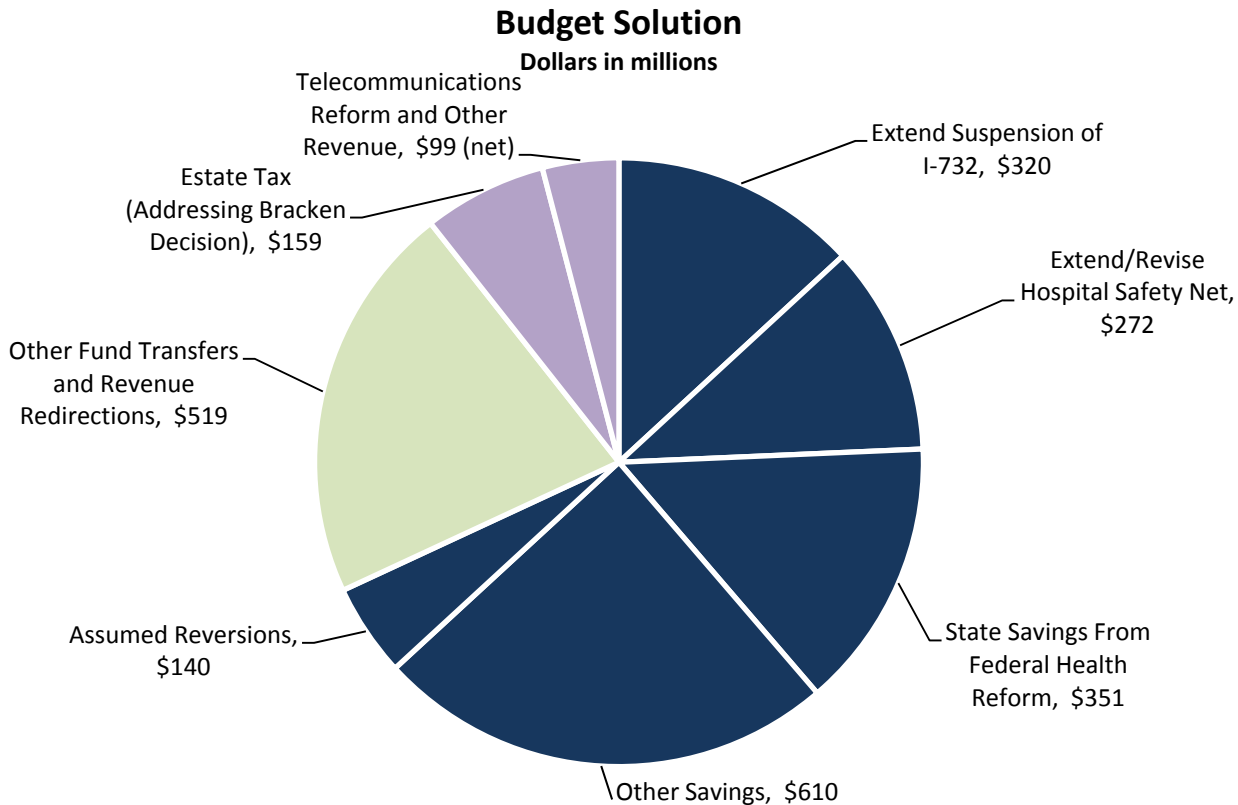
A budget shortfall is projected when estimated costs exceed estimated resources (including revenues). For the 2013-15 Biennium, before any legislative action was taken in the 2013 legislative session, the cost of continuing current programs and complying with current laws exceeded forecasted revenue by approximately \$800 million. This is sometimes referred to as the maintenance level shortfall.

The operating budget for 2013-15 also included \$1.7 billion in additional policy enhancements (\$1.03 billion of that in K-12 education). Taken together with leaving an ending fund balance and the maintenance level shortfall, the combined budget problem statement is approximately \$2.47 billion.

## Enacted 2013-2015 Operating Budget

The operating budget appropriates a total of \$33.6 billion from Near General Fund-State plus opportunity pathway and addressed this problem statement through:

- fund transfers and revenue redirections of \$519 million;
- reduced spending of approximately \$1.55 billion;
- assumed reversion of \$140 million; and
- increased revenue of \$259 million (primarily legislation addressing the state Supreme Court's decision in *In re Estate of Bracken* relating to estate taxation and legislation changing the taxation of the telecommunications industry).



### **Policy Level Spending Reductions**

Policy level spending increases are described in the projected spending section (above). Policy level spending reductions assumed in the budget include: (1) \$351 million through federal Medicaid expansion; (2) \$320 million by re-suspending Initiative 732; (3) \$272 million by temporarily extending (and phasing down) the hospital safety net assessment; and (4) \$610 million in other savings impacting most state agencies. In addition, it is assumed that agencies will generate reversions of \$140 million. (Because appropriations represent the maximum amount that state agencies may spend, actual expenditures are typically less than the appropriated amounts. The amount of unspent funds is typically referred to as reversions.)

### **Fund Transfers and Other Revenue/Resource Changes**

The budget assumes approximately \$520 million in transfers (or redirection of existing revenue) from various dedicated funds to the Near General Fund-State. Some of the changes are for the 2013-15 biennium only, others extend several years into the future, while still others are permanent. The largest transfers relate to the Public

Works Assistance Account and total \$355 million. Additionally, the budget makes \$165 million in other fund transfers, including \$34 million from the Life Science Discovery Fund, \$25 million from a 50 percent reduction in the amount of liquor excise tax distributed to local governments, and \$22 million from the State Treasurer's Service Account.

Besides fund transfers and revenue redirections, several actions also impacted resources. The state Supreme Court's decision in *In re Estate of Bracken* (which reduced forecasted estate tax revenue to the Education Legacy Trust Account by \$163 million) lowered forecasted revenue. Chapter 2, Laws of 2013, 2nd sp.s (EHB 2075) (estate taxes) was enacted into law and is estimated to restore \$159 million of that amount. Chapter 8, Laws of 2013, 2nd sp.s. (2E2SHB 1971) (communications services) is estimated to increase GF-S revenue by \$110 million in 2013-15. The net impact is less as there is \$25 million in spending to support programs previously funded by dedicated taxes. Finally, Chapter 13, Laws of 2013, 2nd sp.s (ESSB 5882) provides additional tax exemptions that will reduce revenues by an estimated \$12 million in 2013-15 biennium.

### **Projected Ending Balance and Outlook**

The budget, after partial vetoes and including appropriations made in other legislation, leaves \$625 million in projected total reserves (\$48 million in NGF-S ending fund balances and the remainder in the Budget Stabilization Account).

The budget, under the provisions of the statutory four-year outlook [Chapter 8, Laws of 2012, 1st sp.s (SSB 6636)], is projected to end the 2015-17 biennium with \$1.3 billion in total reserves (\$388 million in NGF-S and the remainder in the Budget Stabilization Account).

**2011-13 and 2013-15 Balance Sheet For 3ESSB 5034 (Enacted)**  
**Including 2013 Supplemental Budget**  
**General Fund-State, Education Legacy Trust, and Opportunity Pathways Accounts**  
**(and Budget Stabilization Account)**  
Dollars in Millions

	2011-13	2013-15
<b>RESOURCES</b>		
<b>Beginning Fund Balance</b>	<b>(60.4)</b>	<b>94.9</b>
March 2013 Forecast	31,009.3	33,025.0
Bracken Decision	(3.2)	(160.3)
June 2013 Forecast Update	<b>109.2</b>	<b>122.6</b>
Transfer to Budget Stabilization Account	(268.7)	(308.5)
Other Enacted Fund Transfers	378.6	-
Alignment to the Comprehensive Financial Statements	(5.0)	-
Adjustment to Working Capital (HB 2822)	238.0	-
<b>Proposed Changes</b>		
Transfer From Budget Stabilization Account to GFS		-
Fund Transfers & Redirections (ELTA & GFS)	<b>1.8</b>	<b>528.9</b>
General Fund & Op PW: Legislation (incl. Telecomm) & BDR	<b>0.2</b>	<b>87.4</b>
HB 2064 - Estate taxes (Bracken Decision, ELTA)	-	<b>159.4</b>
<b>Total Resources (including beginning fund balance)</b>	<b>31,399.7</b>	<b>33,549.5</b>
<b>EXPENDITURES</b>		
<b>2011-13 Enacted Budget (Incl. 2012 Supp.)</b>		
Enacted Budget	31,249.2	
Actual/Anticipated Reversions	(165.9)	
<b>Proposed Changes</b>		
Maintenance Level Changes	<b>8.9</b>	
Policy Changes	<b>212.5</b>	
<b>Total Expenditures</b>	<b>31,304.8</b>	
<b>Proposed 2013-15</b>		
Maintenance Level		<b>33,470.8</b>
Policy Changes		<b>156.1</b>
Impact of Governor Veto & Lapses		<b>(0.6)</b>
Appropriations in Other Legislation (E2SSB 5912; Impaired Driving)		<b>5.0</b>
Anticipated Reversions		<b>(140.0)</b>
<b>Total Expenditures</b>		<b>33,491.3</b>
<b>RESERVES</b>		
<b>Projected Ending Balance</b>	<b>94.9</b>	<b>58.3</b>
Budget Stabilization Account Beginning Balance	-	268.7
Transfer from General Fund and Interest Earnings	268.7	308.5
<b>Projected Budget Stabilization Account Ending Balance</b>	<b>268.7</b>	<b>577.2</b>
<b>Total Reserves (Near General Fund plus Budget Stabilization)</b>	<b>363.6</b>	<b>635.4</b>



**Fund Transfers, Revenue Legislation and Budget Driven Revenues**  
Dollars, In Millions

	<u>2011-13</u>	<u>2013-15</u>
<b>Fund Transfers/Redirections to Education Legacy Trust Account</b>		
Public Works Assistance Account	-	277.2
Redirect Portions of REET, Solid Waste and PUT (from PWAA) <sup>(1)</sup>		77.3
Unclaimed Lottery Prizes		12.1
<b>Subtotal</b>	-	366.7
<b>Fund Transfers/Redirections to GFS</b>		
Energy Freedom Account	-	2.0
Liquor Excise Distribution (Local Government) <sup>(4)</sup>		34.0
Life Sciences Discovery Fund	-	34.0
Pollution Liability Trust Account		5.0
Employment Training Finance Account		2.0
Tuition Recovery Trust Account		2.5
Local Toxics Account	-	18.0
Treasurers Service Account	1.8	20.2
Data Processing Revolving Account	-	8.1
Legal Services Revolving	-	2.5
Personnel Service Account	-	1.5
Real Estate Commission Account	-	3.4
Criminal Justice Treatment Account	-	3.2
Flood Control Assistance Account	-	2.0
Health Benefit Exchange Account (Loan Repayment)		0.7
Professional Engineers' Account		1.9
Electrical License Account		3.4
Business and Professions Account		3.6
Health Benefit Exchange Account <sup>(3)</sup>		20.8
Elim. Statutory Transfer (Opp. Pathway / School Const) <sup>(1)</sup>		-
Transfer To Child/Family Reinvestment	-	(6.5)
<b>Subtotal</b>	<b>1.8</b>	<b>162.3</b>
<b>General Fund: Legislation &amp; Budget Driven</b>		
HB 1971 - Communications Services Reform	-	109.9
HB 1947 - HB Exchange Operations <sup>(3)</sup>	-	(22.4)
SB 5882 - Omnibus Tax Preference Legislation	-	(13.1)
SB 5644 - Resale of Liquor	-	3.5
SB 5287 - Eliminating Accounts & Funds	0.2	-
Budget Driven: Liquor Control Board	-	(3.9)
Budget Driven: DOR Auditors	-	9.6
Budget Driven: Lottery (To Opp Pathways)	-	2.3
Budget Driven: L&I Elevator Operators	-	1.5
<b>Subtotal</b>	<b>0.2</b>	<b>87.4</b>
<b>Education Legacy Trust: Legislation &amp; Budget Driven</b>		
HB 2075 - Estate taxes (Bracken Decision)	-	<b>159.4</b>
<b>Total</b>	<b>2.0</b>	<b>775.7</b>

**Notes:**

- (1) Contained in separate legislation.
- (2) Transfers to the Budget Stabilization Account are displayed on the Balance Sheet.
- (3) The net effect of these two items is that in the first few months of 2015, operation of the Exchange is funded by WSHIP funds until premium tax funds are available in the account. In subsequent years, the Exchange is

# Revenues

Anticipated General Fund-State revenues for the 2011-13 and 2013-15 biennia slightly increased in the June 2013 forecast, which was the forecast used for the state budget. The General Fund-State revenue estimate for the 2011-13 biennium increased by \$110 million to \$30.6 billion and the General Fund-State revenue estimate for the 2013-15 biennium increased by \$121 million to \$32.7 billion.

Two significant revenue increases, which passed in 2010 as part of Chapter 23, Laws of 2010, 1st sp.s. (2ESSB 6143), expired on July 1, 2013. These revenue increases were a temporary 0.3% increase in the service business and occupation tax rate and a \$15.5 per barrel increase in the beer tax. These revenue sources raised approximately \$620 million during the 2011-13 biennium.

Twenty-two bills affecting revenue were enacted into law. Of these bills, two increased General Fund-State revenues for a total of \$269.3 million in the 2013-15 biennium. Both of these bills had their origins in adverse state court decisions.

On October 8, 2012, the state Supreme Court in *In re Estate of Bracken*, 175 Wn.2d 549 (2012) held that certain types of marital trust property are not subject to the Washington estate tax. The total fiscal impact from this decision was estimated to be \$160.1 million for the 2013-15 biennium, with approximately \$100 million associated with anticipated and pending refund requests. With the enactment of Chapter 2, Laws of 2013, 2nd sp.s., (EHB 2075), the Legislature restored the application of the estate tax to this marital property. The legislation also included a new tax exemption for certain small business interests, an annual inflationary adjustment to the \$2 million general exclusion amount, and an increase to the top four estate tax rates. The net fiscal effect of this legislation is a positive \$159.4 million in the 2013-15 biennium, with revenues going to the education legacy trust account.

Chapter 8, Laws of 2013, 2nd sp.s. (2E2SHB 1971) significantly changes the taxation of the telecommunications industry. Prior to the passage of this legislation, a sales tax exemption applied to land line telephone service. Cellular phone service companies argued that the exemption should apply to residential cellular phone service as well and challenged the applicability of the exemption in court. The 2013 legislation eliminates the sales tax exemption for all residential telephone service thereby extending state and local sales tax to all telephone service. The legislation also repeals dedicated taxes for the Washington Telephone Assistance Program, which provides subsidies for low-income telephone service, and the Telephone Relay service, which provides subsidies for telecommunication service for the deaf and hard of hearing. These programs are now funded out of the general fund. The legislation also requires retailers of prepaid wireless service to collect the Enhanced 911 tax. Lastly, the legislation establishes a state universal service program to help to offset costs for high cost phone service in rural areas. The legislation increases state sales tax revenues by \$109.9 million for the 2013-15 biennium, with a net revenue impact of \$84.4 million when additional spending requirements are taken into consideration.

The Legislature passed four bills creating, extending, or expanding tax preferences; however, Chapter 13, Laws of 2013, 2nd sp.s. (ESSB 5882) is an omnibus bill that modifies 16 separate and distinct tax preferences and requires greater transparency for future tax preference legislation. The total cost of the bill to the state general fund is \$13.1 million in the 2013-15 biennium. A more detailed description of the legislation can be found in the following pages.

**2013 Revenue Legislation**  
**Near General Fund-State**  
Dollars in Millions

Bill Number	Brief Title	2013-15
EHB 2075	Estate tax transfers	159.4
E2SHB 1971	Telecommunications parity	109.9
ESSB 5664	Liquor License Fees/Resale	3.5
SB 5627	Taxation of commuter air carriers	0.1
E2SHB 1306	Local infrastructure financing tool program	0.0
ESHB 1403	Providing information to businesses	0.0
SB 5806	Repeals the timber credit	0.0
EHB 1421	Collecting deferred property taxes	0.0
SB 5715	Addresses evading taxes by electronic means	0.0
E2SSB 5078	Modifying property tax exemption for nonprofit fairs	0.0
SSB 5072	Sales/use tax exemption for disabled vets for equipment and services for motor vehicle	-0.1
ESHB 1947	B&O tax exemption for Health Benefit Exchange	-22.4
<b>ESSB 5882</b>	<b>Relating to Revenue</b>	
	Provides B&O tax exemption for dairy products	0.0
	Extending beekeeper exemptions	0.0
	Exempting nonprofit organizations or libraries from use tax	0.0
	Provides sales and use tax exemption for clay targets	0.0
	Sales/use tax exemption for restaurants flavoring food	-0.1
	Provides tax exemptions for mint growers and processors	-0.3
	Cooperative Finance Org	0.0
	S&U exemption for data for international investments firms	-0.7
	Cover charges for dancing not considered retail sales	-0.9
	Solar B&O Extension	-1.0
	Extending renewable energy exemptions	-1.5
	Hog Fuel	-1.9
	Taxation of large airplanes	-2.1
	Modifies tax exemption for blood banks	-2.1
	Providing incentives for solar energy	-2.5
	<b>Total for ESSB 5882</b>	<b>-13.1</b>
	<b>Total</b>	<b>237.3</b>

*Note: Excludes budget driven revenue.*

## Revenue Legislation

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The legislation listed below is a summary of bills passed during the 2013 session that affect state revenues or state or local government tax statutes but may not cover all revenue-related bills.

### **MODIFYING THE ESTATE AND TRANSFER TAX—\$159.4 MILLION GENERAL FUND-STATE INCREASE**

Chapter 2, Laws of 2013, 2nd sp.s. (EHB 2075) requires certain marital trust property to be included in the estate for purposes of the Washington estate tax. A deduction is provided for family-owned businesses. The \$2 million deduction is adjusted by inflation on an annual basis. The top four estate tax rates are increased.

### **COMMUNICATION SERVICES REFORM—\$109.9 MILLION GENERAL FUND-STATE INCREASE**

Chapter 8, Laws of 2013, 2nd sp.s. (2E2SHB 1971) requires retailers of prepaid wireless telephone service to collect and remit the Enhanced 911 tax. A seller of prepaid wireless is allowed to charge an additional 5 cents per retail transaction to offset the cost of collecting the tax. The taxes funding the Washington Telephone Assistance and Telecommunications Relay Service programs are repealed. The programs are funded by state general fund appropriations. State and local sales and use tax exemptions are repealed for local residential landline service. A temporary state universal communications services program is established.

### **ELIMINATING THE 17% RETAIL LICENSE FEE TO PREVIOUS CONTRACT LIQUOR STORES AND STATE LIQUOR STORES ON SALES TO LICENSEES —\$3.5 MILLION GENERAL FUND-STATE INCREASE**

Chapter 12, Laws of 2013, 2nd sp.s. (ESSB 5644) eliminates the 17% retail license fee on sales from stores that were previously contract liquor stores or stores that were bought at state auction. Additionally, distributors are required to pay the 10% distributor license fee for three additional months prior to it being reduced to 5%.

### **TAXATION OF CERTAIN COMMUTER AIR CARRIERS—\$60,000 GENERAL FUND-STATE INCREASE**

Chapter 56, Laws of 2013 (SB 5627) exempts commuter air carriers operating on private property from the personal property tax and subjects them to the aircraft excise tax. A separate aircraft excise tax schedule is created for such carriers.

### **EXTENDING THE EXPIRATION DATES OF THE LOCAL INFRASTRUCTURE FINANCING TOOL PROGRAM—NO IMPACT TO GENERAL FUND-STATE**

Chapter 21, Laws of 2013, 2nd sp.s. (E2SHB 1306) extends the expiration date of the Local Infrastructure Financing Tool program from June 30, 2039 to June 30, 2044. Local jurisdictions are required to commence construction by June 30, 2017, to impose the state shared local sales and use tax. The requirement that a sponsoring local government issue indebtedness to receive a state sales and use tax credit is removed.

### **PROMOTING ECONOMIC DEVELOPMENT BY PROVIDING INFORMATION TO BUSINESSES—NO IMPACT TO GENERAL FUND-STATE**

Chapter 111, Laws of 2013 (ESHB 1403) requires all regulatory agencies that have a business license to fully participate with the business license service by providing the Department of Revenue (DOR) with the application and information necessary to complete the application for the business license.

### **REPEALING AN OBSOLETE PROVISION FOR CREDIT AGAINST PROPERTY TAXES PAID ON TIMBER ON PUBLIC LAND—NO IMPACT TO GENERAL FUND-STATE**

Chapter 240, Laws of 2013 (SB 5806) repeals an obsolete property tax credit for taxes paid on privately owned timber standing on public lands.

### **COLLECTING DEFERRED PROPERTY TAXES—NO IMPACT TO GENERAL FUND-STATE**

Chapter 221, Laws of 2013 (EHB 1421) provides that proceeds from the sale of property acquired by the county due to property tax foreclosure must first be applied to pay DOR for taxes deferred under the senior and limited-income property tax deferral program.

**ADDRESSING THE EVASION OF TAXES BY THE USE OF ELECTRONIC MEANS—NO IMPACT TO GENERAL FUND-STATE**

Chapter 309, Laws of 2013 (SB 5715) criminalizes the possession, purchase, installation, transfer, manufacture, creation, design, update, repair, use, or sale of an automated sales suppression device. Additional mandatory fines are set for those who furnish, update, or repair automated sales suppression devices. DOR is provided with the authority to revoke a business' certificate of registration if the business is found using one of these devices. A certificate cannot be reinstated unless the business agrees to have its sales transactions electronically monitored for five years at its own expense.

**MODIFYING THE PROPERTY TAX EXEMPTION FOR NONPROFIT FAIRS—NO IMPACT TO GENERAL FUND-STATE**

Chapter 212, Laws of 2013 (E2SSB 5078) removes the revenue restrictions to qualify for a property tax exemption for nonprofit fair associations having property valued at less than \$15 million, that receive funding from the fair fund, and that were previously a county run fair.

**SALES TAX EXEMPTION FOR CERTAIN AUTOMOBILE ADAPTIVE EQUIPMENT FOR VETERANS—\$100,000**

**GENERAL FUND-STATE DECREASE**

Chapter 211, Laws of 2013 (SSB 5072) provides a sales and use tax exemption for prescribed add-on automotive adaptive equipment for veterans or members of the armed forces, including charges for labor and services with respect to installation and repair of such equipment. The exemption only applies if the eligible purchaser is reimbursed in whole or in part for the purchase by the federal government.

**PROVIDING A BUSINESS AND OCCUPATIONS TAX EXEMPTION TO THE WASHINGTON HEALTH BENEFIT EXCHANGE—\$22.424 MILLION GENERAL FUND STATE DECREASE**

Chapter 6, Laws of 2013 2nd sp.s. (ESHB 1947) provides a Business and Occupations (B&O) tax exemption to the Washington Health Benefit Exchange, both prospectively and retroactively, for amounts received in the form of grants from the state of Washington or the federal government. Additionally, insurance premiums taxes collected from qualified health benefit plans and stand-alone dental plans will be deposited into the health benefit exchange account rather than the general fund.

**RELATING TO REVENUE—\$13.1 MILLION GENERAL FUND-STATE DECREASE**

Chapter 13, Laws of 2013 2nd sp.s. (ESSB 5882) modifies, extends or creates sixteen tax exemptions. In addition, the bill addresses transparency and oversight for new tax preferences. The following parts are included:

- **BUSINESS AND OCCUPATIONS TAXATION OF DAIRY PRODUCTS—NO IMPACT TO GENERAL FUND-STATE**

Provides a B&O tax exemption for sales of dairy products to purchasers who use the dairy product as an ingredient or component in the manufacturing of a dairy product. Dairy products are defined by reference to the Code of Federal Regulations and include byproducts such as whey and casein, and products comprised of not less than 70 percent dairy products by weight or volume.

- **EXTENDING THE EXPIRATION DATE OF TAX EXEMPTIONS FOR HONEY BEEKEEPERS—\$12,000 GENERAL FUND-STATE DECREASE**

Extends the tax exemptions for honey beekeepers to July 1, 2017. Eligible honey beekeepers are provided with a sales or use tax exemption for purchases of honeybee food. A honeybee workgroup is created to address honeybee industry challenges. Requires the Joint Legislative Audit and Review Committee (JLARC) to evaluate the impact of state taxes on the honeybee industry and to evaluate the impact of state taxes on the industry compared to other industries as part of its tax preference review.

- **PROVIDING A USE TAX EXEMPTION FOR CERTAIN PURCHASES FROM NONPROFIT ORGANIZATIONS OR LIBRARIES SOLD AT A FUND-RAISING ACTIVITY—\$16,000 GENERAL FUND-STATE DECREASE**

Provides a use tax exemption for items of personal property, valued at \$10,000 or less, purchased or received as a prize in a game of chance from a nonprofit organizations or libraries for a fundraising activity.

- **PROVIDING SALES AND USE TAX EXEMPTIONS FOR CLAY TARGETS PURCHASED BY NONPROFIT GUN CLUBS—\$26,000 GENERAL FUND-STATE DECREASE**  
 Provides nonprofit gun clubs sales and use tax exemptions for the clay targets they purchase for use in clay target shooting for which a fee is charged. The buyer must provide the seller with an exemption certificate.
- **PROVIDING RESTAURANTS WITH A SALES AND USE TAX EXEMPTION FOR CERTAIN ITEMS THAT IMPART FLAVOR TO FOOD DURING THE COOKING PROCESS—\$78,000 GENERAL FUND-STATE DECREASE**  
 Provides restaurants sales and use tax exemptions for products that impart flavor to food during the cooking process. Requires the product to be completely or substantially consumed during the cooking process or entirely comprised of wood.
- **PROVIDING FARMERS WITH TAX EXEMPTIONS FOR PROPANE OR NATURAL GAS USED EXCLUSIVELY TO DISTILL MINT OIL—\$266,000 GENERAL FUND-STATE DECREASE**  
 Provides sales and use tax exemptions to mint farmers for the purchase of propane or natural gas used exclusively to distill mint on a farm.
- **BUSINESS AND OCCUPATIONS TAX EXEMPTION FOR COOPERATIVE FINANCE ORGANIZATIONS— NO IMPACT TO GENERAL FUND-STATE.**  
 Provides a B&O tax exemption to cooperative finance organizations on amounts derived from loans to rural electric cooperatives or other nonprofit or governmental providers of utility services organized under the laws of Washington.
- **SALES AND USE TAX EXEMPTION FOR INTERNATIONAL INVESTMENT FIRMS—\$683,000 GENERAL FUND-STATE DECREASE**  
 Provides a sales and use tax exemption for the sale of standard financial information to qualifying international investment management companies. Limits the amount of deductible purchases to \$15 million per year.
- **PROVIDING THAT CERTAIN COVER CHARGES FOR THE OPPORTUNITY TO DANCE ARE NOT CONSIDERED RETAIL SALES—\$890,000 GENERAL FUND-STATE DECREASE**  
 Excludes the opportunity to dance in exchange for a cover charge from amusement and recreation services—therefore, it is no longer subject to retail sales tax or the retailing classification of the B&O tax, but rather the service and other activities B&O tax classification.
- **BUSINESS AND OCCUPATIONS TAX RATE OF CERTAIN SOLAR ENERGY SYSTEMS—\$1.465 MILLION GENERAL FUND-STATE DECREASE**  
 Extends the expiration of the preferential B&O tax rate for manufacturers and wholesalers of solar energy systems using photovoltaic modules or sterling converters, or of solar grade silicon, silicon solar wafers, silicon solar cells, thin film solar devices, or compound semiconductor solar wafers, from June 30, 2014 to June 30, 2016.
- **EXTENDING RENEWABLE ENERGY EXEMPTIONS—\$1.465 MILLION GENERAL FUND-STATE DECREASE**  
 Extends the expiration date for the sales and use tax exemption for machinery and equipment used in facilities that generate electricity from renewable energy to January 1, 2020. Requires JLARC to include additional information in their tax preference review with specific reference to the intent and performance milestones established in the legislative intent language.
- **EXTENDING THE SALES AND USE TAX EXEMPTION FOR HOG FUEL USED TO PRODUCE ELECTRICITY, STEAM, HEAT, OR BIOFUEL—\$1.871 MILLION GENERAL FUND-STATE DECREASE**  
 Extends the expiration date of the sales and use tax exemption for hog fuel by 11 years, to June 30, 2024. Taxpayers claiming an exemption must file an annual survey with DOR. DOR and the Employment Security Department must provide information to JLARC, who in turn must review the performance of the tax preference and report their findings to the Legislature by December 31, 2019. Taxpayers who claim the

exemption, and subsequently close a facility resulting in a loss of jobs in Washington, must immediately pay back the amount of the tax exemption claimed for the previous two calendar years.

- **TAXATION OF LARGE AIRPLANES—\$2.132 MILLION GENERAL FUND-STATE DECREASE**  
Provides a sales and use tax exemption for large private aircraft owned by nonresidents. Additionally, labor and services for repairing, cleaning, altering, or improving large private aircraft owned by a nonresident are exempt from the sales and use tax.
- **MODIFYING NONPROFIT TAX EXEMPTION FOR QUALIFYING BLOOD, TISSUE, OR BLOOD AND TISSUE BANKS—\$2.139 MILLION GENERAL FUND-STATE DECREASE**  
Expands the definitions of qualifying blood and qualifying blood and tissue banks to include testing or processing of blood, on behalf of itself or other qualifying blood banks or qualifying blood and tissue banks so that they are exempt from the B&O, retail sales, use, and property taxes.
- **PROVIDING INCENTIVES FOR SOLAR ENERGY—\$2.498 MILLION GENERAL FUND-STATE DECREASE**  
Extends the expiration date for the sales and use tax exemption for machinery and equipment used in generating electricity from solar energy for five years. The exemption is expanded to include machinery and equipment used to produce thermal heat using solar energy.
- **REQUIRING INTENT AND EXPIRATION DATE FOR TAX PREFERENCES—NO IMPACT TO GENERAL FUND-STATE**  
Requires any bill that adopts a new tax preference or expands or extends an existing tax preference to include legislative intent, expiration date, and a tax preference performance statement that provides context and/or data for purposes of reviewing the preference. Creates a task force that is required to provide recommendations by January 1, 2014, on appropriate metrics to be included in a tax preference performance statement.

# Washington State Omnibus Operating Budget

## 2011-13 Budget vs. 2013-15 Budget

### TOTAL STATE

(Dollars in Thousands)

	NGF-S + Opportunity Pathways			Total All Funds		
	2011-13	2013-15	Difference	2011-13	2013-15	Difference
Legislative	139,294	141,400	2,106	146,551	155,455	8,904
Judicial	223,047	237,851	14,804	281,697	299,190	17,493
Governmental Operations	441,631	459,114	17,483	3,686,592	3,499,248	-187,344
Other Human Services	5,993,492	6,116,614	123,122	14,644,538	16,764,586	2,120,048
DSHS	5,413,717	5,787,914	374,197	10,993,345	11,919,981	926,636
Natural Resources	301,567	262,680	-38,887	1,532,618	1,587,441	54,823
Transportation	79,784	70,564	-9,220	179,723	181,919	2,196
Public Schools	13,598,052	15,208,877	1,610,825	15,675,672	17,097,327	1,421,655
Higher Education	2,734,640	3,073,070	338,430	11,095,250	12,203,622	1,108,372
Other Education	161,147	204,674	43,527	525,777	588,624	62,847
Special Appropriations	2,385,801	2,068,516	-317,285	2,559,291	2,225,073	-334,218
<b>Total Budget Bill</b>	<b>31,472,172</b>	<b>33,631,274</b>	<b>2,159,102</b>	<b>61,321,054</b>	<b>66,522,466</b>	<b>5,201,412</b>
Appropriations in Other Legislation	-1,500	0	1,500	-1,496	0	1,496
<b>Statewide Total</b>	<b>31,470,672</b>	<b>33,631,274</b>	<b>2,160,602</b>	<b>61,319,558</b>	<b>66,522,466</b>	<b>5,202,908</b>

*Note: Includes only appropriations from the Omnibus Operating Budget enacted through the 2013 legislative session and appropriations contained in other legislation shown on page 300.*



# Washington State Omnibus Operating Budget

## 2011-13 Budget vs. 2013-15 Budget

### LEGISLATIVE AND JUDICIAL

(Dollars in Thousands)

	NGF-S + Opportunity Pathways			Total All Funds		
	2011-13	2013-15	Difference	2011-13	2013-15	Difference
House of Representatives	57,939	61,864	3,925	59,430	63,629	4,199
Senate	43,246	44,555	1,309	44,667	46,069	1,402
Jt Leg Audit & Review Committee	5,120	173	-4,947	5,290	6,478	1,188
LEAP Committee	3,745	3,464	-281	3,745	3,464	-281
Office of the State Actuary	0	0	0	3,323	3,529	206
Office of Legislative Support Svcs	3,016	7,370	4,354	3,016	7,421	4,405
Joint Legislative Systems Comm	15,679	15,977	298	15,679	15,977	298
Statute Law Committee	8,768	7,997	-771	9,620	8,888	-732
Redistricting Commission	1,781	0	-1,781	1,781	0	-1,781
<b>Total Legislative</b>	<b>139,294</b>	<b>141,400</b>	<b>2,106</b>	<b>146,551</b>	<b>155,455</b>	<b>8,904</b>
Supreme Court	13,360	13,747	387	13,360	13,747	387
State Law Library	1,528	2,949	1,421	3,028	2,949	-79
Court of Appeals	30,528	31,376	848	30,528	31,376	848
Commission on Judicial Conduct	2,028	2,062	34	2,028	2,062	34
Administrative Office of the Courts	99,848	101,856	2,008	150,557	157,941	7,384
Office of Public Defense	54,163	64,129	9,966	58,531	67,929	9,398
Office of Civil Legal Aid	21,592	21,732	140	23,665	23,186	-479
<b>Total Judicial</b>	<b>223,047</b>	<b>237,851</b>	<b>14,804</b>	<b>281,697</b>	<b>299,190</b>	<b>17,493</b>
<b>Total Legislative/Judicial</b>	<b>362,341</b>	<b>379,251</b>	<b>16,910</b>	<b>428,248</b>	<b>454,645</b>	<b>26,397</b>

# Washington State Omnibus Operating Budget

## 2011-13 Budget vs. 2013-15 Budget

### GOVERNMENTAL OPERATIONS

(Dollars in Thousands)

	NGF-S + Opportunity Pathways			Total All Funds		
	2011-13	2013-15	Difference	2011-13	2013-15	Difference
Office of the Governor	10,361	10,726	365	11,861	14,726	2,865
Office of the Lieutenant Governor	1,301	1,312	11	1,396	1,407	11
Public Disclosure Commission	3,957	4,097	140	3,957	4,097	140
Office of the Secretary of State	26,019	20,891	-5,128	85,071	80,900	-4,171
Governor's Office of Indian Affairs	517	501	-16	517	501	-16
Asian-Pacific-American Affrs	446	420	-26	446	420	-26
Office of the State Treasurer	0	0	0	15,144	14,924	-220
Office of the State Auditor	0	1,461	1,461	72,887	75,841	2,954
Comm Salaries for Elected Officials	327	312	-15	327	312	-15
Office of the Attorney General	12,648	20,588	7,940	228,850	228,251	-599
Caseload Forecast Council	2,457	2,490	33	2,457	2,490	33
Dept of Financial Institutions	0	0	0	46,190	47,883	1,693
Department of Commerce	110,638	123,227	12,589	551,345	515,885	-35,460
Economic & Revenue Forecast Council	1,437	1,566	129	1,487	1,616	129
Office of Financial Management	37,047	35,956	-1,091	120,813	119,926	-887
Office of Administrative Hearings	0	0	0	36,463	37,822	1,359
State Lottery Commission	0	0	0	801,712	810,516	8,804
Washington State Gambling Comm	0	0	0	31,975	29,984	-1,991
WA State Comm on Hispanic Affairs	488	473	-15	488	473	-15
African-American Affairs Comm	469	457	-12	469	457	-12
Department of Retirement Systems	0	0	0	52,158	57,297	5,139
State Investment Board	0	0	0	29,075	36,035	6,960
Innovate Washington	5,634	0	-5,634	8,511	3,377	-5,134
Department of Revenue	199,898	214,286	14,388	231,531	253,027	21,496
Board of Tax Appeals	2,339	2,395	56	2,339	2,395	56
Minority & Women's Business Enterp	0	0	0	3,754	4,077	323
Office of Insurance Commissioner	650	400	-250	53,087	55,126	2,039
Consolidated Technology Services	0	0	0	208,054	230,197	22,143
State Board of Accountancy	0	0	0	2,642	2,699	57
Forensic Investigations Council	0	0	0	490	498	8
Dept of Enterprise Services	6,710	7,282	572	479,131	451,353	-27,778
Washington Horse Racing Commission	0	0	0	6,744	5,724	-1,020
WA State Liquor Control Board	0	0	0	192,113	66,998	-125,115
Utilities and Transportation Comm	0	0	0	48,567	52,620	4,053
Board for Volunteer Firefighters	0	0	0	1,039	1,044	5
Military Department	14,054	3,726	-10,328	339,053	273,568	-65,485
Public Employment Relations Comm	4,234	4,013	-221	7,800	7,834	34
LEOFF 2 Retirement Board	0	0	0	2,044	2,249	205
Archaeology & Historic Preservation	0	2,535	2,535	4,605	4,699	94
<b>Total Governmental Operations</b>	<b>441,631</b>	<b>459,114</b>	<b>17,483</b>	<b>3,686,592</b>	<b>3,499,248</b>	<b>-187,344</b>

# Washington State Omnibus Operating Budget

## 2011-13 Budget vs. 2013-15 Budget

### HUMAN SERVICES

(Dollars in Thousands)

	NGF-S + Opportunity Pathways			Total All Funds		
	2011-13	2013-15	Difference	2011-13	2013-15	Difference
WA State Health Care Authority	4,141,984	4,245,757	103,773	10,317,601	12,448,344	2,130,743
Human Rights Commission	3,947	4,073	126	5,840	6,258	418
Bd of Industrial Insurance Appeals	0	0	0	39,209	39,536	327
Criminal Justice Training Comm	29,093	28,416	-677	42,694	40,680	-2,014
Department of Labor and Industries	35,312	34,683	-629	632,608	656,795	24,187
Department of Health	156,993	119,428	-37,565	1,118,516	1,043,149	-75,367
Department of Veterans' Affairs	15,339	14,674	-665	120,160	132,503	12,343
Department of Corrections	1,606,534	1,665,144	58,610	1,629,223	1,686,929	57,706
Dept of Services for the Blind	4,290	4,439	149	26,041	27,488	1,447
Employment Security Department	0	0	0	712,646	682,904	-29,742
<b>Total Other Human Services</b>	<b>5,993,492</b>	<b>6,116,614</b>	<b>123,122</b>	<b>14,644,538</b>	<b>16,764,586</b>	<b>2,120,048</b>

# Washington State Omnibus Operating Budget

## 2011-13 Budget vs. 2013-15 Budget

### DEPARTMENT OF SOCIAL & HEALTH SERVICES

(Dollars in Thousands)

	NGF-S + Opportunity Pathways			Total All Funds		
	2011-13	2013-15	Difference	2011-13	2013-15	Difference
Children and Family Services	565,138	594,317	29,179	1,056,061	1,104,082	48,021
Juvenile Rehabilitation	171,269	180,222	8,953	179,978	189,047	9,069
Mental Health	884,112	916,582	32,470	1,584,592	1,724,299	139,707
Developmental Disabilities	982,958	1,075,071	92,113	1,914,068	2,082,080	168,012
Long-Term Care	1,591,674	1,792,846	201,172	3,395,699	3,848,450	452,751
Economic Services Administration	802,239	807,523	5,284	2,010,082	2,049,891	39,809
Alcohol & Substance Abuse	144,761	135,742	-9,019	371,184	444,040	72,856
Vocational Rehabilitation	21,207	32,937	11,730	128,895	132,350	3,455
Administration/Support Svcs	52,370	59,460	7,090	101,388	97,264	-4,124
Special Commitment Center	86,265	72,233	-14,032	86,265	72,233	-14,032
Payments to Other Agencies	111,724	120,981	9,257	165,133	176,245	11,112
<b>Total DSHS</b>	<b>5,413,717</b>	<b>5,787,914</b>	<b>374,197</b>	<b>10,993,345</b>	<b>11,919,981</b>	<b>926,636</b>
<b>Total Human Services</b>	<b>11,407,209</b>	<b>11,904,528</b>	<b>497,319</b>	<b>25,637,883</b>	<b>28,684,567</b>	<b>3,046,684</b>

# Washington State Omnibus Operating Budget

## 2011-13 Budget vs. 2013-15 Budget

### NATURAL RESOURCES

(Dollars in Thousands)

	NGF-S + Opportunity Pathways			Total All Funds		
	2011-13	2013-15	Difference	2011-13	2013-15	Difference
Columbia River Gorge Commission	805	891	86	1,611	1,796	185
Department of Ecology	70,624	51,435	-19,189	441,043	458,113	17,070
WA Pollution Liab Insurance Program	0	0	0	1,613	1,587	-26
State Parks and Recreation Comm	17,334	8,508	-8,826	142,627	128,452	-14,175
Rec and Conservation Funding Board	1,721	1,638	-83	9,315	9,855	540
Environ & Land Use Hearings Office	4,173	4,374	201	4,173	4,374	201
State Conservation Commission	13,209	13,579	370	14,510	16,880	2,370
Dept of Fish and Wildlife	60,515	59,320	-1,195	359,848	374,747	14,899
Puget Sound Partnership	4,526	4,734	208	18,130	18,900	770
Department of Natural Resources	98,689	87,607	-11,082	394,706	418,580	23,874
Department of Agriculture	29,971	30,594	623	145,042	154,157	9,115
<b>Total Natural Resources</b>	<b>301,567</b>	<b>262,680</b>	<b>-38,887</b>	<b>1,532,618</b>	<b>1,587,441</b>	<b>54,823</b>

**Washington State Omnibus Operating Budget  
2011-13 Budget vs. 2013-15 Budget**

**TRANSPORTATION**

(Dollars in Thousands)

	NGF-S + Opportunity Pathways			Total All Funds		
	2011-13	2013-15	Difference	2011-13	2013-15	Difference
Washington State Patrol	77,342	67,138	-10,204	139,185	138,577	-608
WA Traffic Safety Commission	0	982	982	0	982	982
Department of Licensing	2,442	2,444	2	40,538	42,360	1,822
<b>Total Transportation</b>	<b>79,784</b>	<b>70,564</b>	<b>-9,220</b>	<b>179,723</b>	<b>181,919</b>	<b>2,196</b>

# Washington State Omnibus Operating Budget

## 2011-13 Budget vs. 2013-15 Budget

### PUBLIC SCHOOLS

(Dollars in Thousands)

	NGF-S + Opportunity Pathways			Total All Funds		
	2011-13	2013-15	Difference	2011-13	2013-15	Difference
OSPI & Statewide Programs	52,705	53,305	600	144,112	127,657	-16,455
General Apportionment	10,379,852	11,305,188	925,336	10,402,179	11,305,188	903,009
Pupil Transportation	596,136	792,528	196,392	596,136	792,528	196,392
School Food Services	14,222	14,222	0	665,234	632,560	-32,674
Special Education	1,309,038	1,486,343	177,305	1,808,960	1,948,365	139,405
Educational Service Districts	15,790	16,294	504	15,790	16,294	504
Levy Equalization	600,305	646,707	46,402	604,705	646,707	42,002
Elementary/Secondary School Improv	0	0	0	6,152	4,052	-2,100
Institutional Education	31,241	30,784	-457	31,241	30,784	-457
Ed of Highly Capable Students	17,902	19,232	1,330	17,902	19,232	1,330
Education Reform	163,129	227,963	64,834	388,319	438,199	49,880
Transitional Bilingual Instruction	163,676	201,620	37,944	234,677	272,636	37,959
Learning Assistance Program (LAP)	254,056	414,691	160,635	760,263	863,125	102,862
Compensation Adjustments	0	0	0	2	0	-2
<b>Total Public Schools</b>	<b>13,598,052</b>	<b>15,208,877</b>	<b>1,610,825</b>	<b>15,675,672</b>	<b>17,097,327</b>	<b>1,421,655</b>

# Washington State Omnibus Operating Budget

## 2011-13 Budget vs. 2013-15 Budget

### EDUCATION

(Dollars in Thousands)

	NGF-S + Opportunity Pathways			Total All Funds		
	2011-13	2013-15	Difference	2011-13	2013-15	Difference
Student Achievement Council	325,468	683,457	357,989	345,442	724,990	379,548
Higher Education Coordinating Board	292,480	0	-292,480	310,738	0	-310,738
University of Washington	421,417	506,095	84,678	5,817,147	6,359,033	541,886
Washington State University	301,211	348,312	47,101	1,229,991	1,404,880	174,889
Eastern Washington University	68,085	78,763	10,678	248,399	297,749	49,350
Central Washington University	65,058	78,328	13,270	300,240	325,152	24,912
The Evergreen State College	36,248	41,512	5,264	108,506	130,596	22,090
Western Washington University	79,715	101,969	22,254	335,753	368,287	32,534
Community/Technical College System	1,144,958	1,234,634	89,676	2,399,034	2,592,935	193,901
<b>Total Higher Education</b>	<b>2,734,640</b>	<b>3,073,070</b>	<b>338,430</b>	<b>11,095,250</b>	<b>12,203,622</b>	<b>1,108,372</b>
State School for the Blind	11,467	11,837	370	13,420	13,818	398
Childhood Deafness & Hearing Loss	16,870	17,206	336	17,396	17,774	378
Workforce Trng & Educ Coord Board	2,655	3,060	405	65,891	57,839	-8,052
Department of Early Learning	130,155	162,942	32,787	411,595	482,645	71,050
Washington State Arts Commission	0	2,226	2,226	5,307	4,312	-995
Washington State Historical Society	0	4,273	4,273	6,086	6,574	488
East Wash State Historical Society	0	3,130	3,130	6,082	5,662	-420
<b>Total Other Education</b>	<b>161,147</b>	<b>204,674</b>	<b>43,527</b>	<b>525,777</b>	<b>588,624</b>	<b>62,847</b>
<b>Total Education</b>	<b>16,493,839</b>	<b>18,486,621</b>	<b>1,992,782</b>	<b>27,296,699</b>	<b>29,889,573</b>	<b>2,592,874</b>



**Washington State Omnibus Operating Budget**  
**2011-13 Budget vs. 2013-15 Budget**  
**SPECIAL APPROPRIATIONS**

(Dollars in Thousands)

	NGF-S + Opportunity Pathways			Total All Funds		
	2011-13	2013-15	Difference	2011-13	2013-15	Difference
Bond Retirement and Interest	2,143,553	1,846,874	-296,679	2,297,515	2,003,431	-294,084
Special Approps to the Governor	112,172	90,142	-22,030	131,700	90,142	-41,558
Sundry Claims	600	0	-600	600	0	-600
State Employee Compensation Adjust	0	-10,000	-10,000	0	-10,000	-10,000
Contributions to Retirement Systems	129,476	141,500	12,024	129,476	141,500	12,024
<b>Total Special Appropriations</b>	<b>2,385,801</b>	<b>2,068,516</b>	<b>-317,285</b>	<b>2,559,291</b>	<b>2,225,073</b>	<b>-334,218</b>

# Legislative

The 2013-15 operating biennial budget provides \$141.4 million from Near General Fund-State and \$155.5 million in total funds for expenses associated with legislative agencies. This collective level of funding reflects a \$3.9 million (2.8 percent) increase in Near General Fund-State and a \$10.7 million (6.9 percent) increase in total funds from funding levels provided in the 2012 supplemental operating budget.

## **Office of Legislative Support Services**

A total of \$732,000 General Fund-State is transferred, on a cost-neutral basis, from the House of Representatives, Senate, and Joint Legislative Service Committee to the Office of Legislative Support Services. The Office of Legislative Support Services was established in Chapter 113, Laws of 2012 (HB 2705) to consolidate administrative and support functions of Legislative agencies. This transfer continues implementation of this legislation.

# Judicial

## **Judicial Stabilization Trust Account**

Pursuant to Chapter 7, Laws of 2013, 2nd sp.s. (SHB 1961), temporary surcharges on certain court filing fees collected by superior and district courts were extended through June 30, 2017. For the revenues collected from the surcharges, 75 percent is deposited into the Judicial Stabilization Trust (JST) Account and 25 percent is retained by the county collecting the fee. The surcharges are estimated to raise \$12 million in revenues for the JST Account. Funding from the JST Account is used for costs associated with the Administrative Office of the Courts (AOC), the Office of Public Defense (OPD), and the Office of Civil Legal Aid.

## **Judicial Information Systems Account**

Funding of \$19.5 million from the Judicial Information Systems (JIS) Account is provided for the following:

- One-time funding of \$11.3 million to continue implementation of a new commercial off-the-shelf case management system for the superior courts.
- One-time funding of \$2.1 million to replace computer data center equipment including servers, routers, and storage system upgrades.
- One-time funding of \$1.5 million for development and implementation of the information networking hub to meet the data exchange needs of the courts, as well as to provide a central data repository for court data.
- One-time funding of \$1.2 million to replace computers at local courts and state judicial agencies.
- One-time funding of \$333,000 to acquire a commercial off-the-shelf electronic content management system for the Supreme Court and the Court of Appeals.
- A one-time shift of \$3 million from General Fund-State to the JIS Account for expenditures within the Administrative Office of the Courts.

## **Parents Representation Program**

The Parents Representation Program in the OPD funds contract attorneys for indigent parents in dependency and parental termination cases. The program operates in 25 counties, with counties responsible for the function in the remaining jurisdictions. Funding of \$3.4 million is provided to expand the program to Asotin, Columbia, Garfield, King, Whatcom, and Whitman counties beginning July 1, 2014.

# Governmental Operations

## **Department of Commerce**

The Department of Commerce (COM) administers a variety of state programs focused on enhancing and promoting sustainable communities and economic vitality in Washington. Key activities of COM include support of economic development, affordable housing and homeless programs, growth management, and a variety of services to local communities. The 2013-15 operating budget provides COM with \$515.9 million in total funds (\$123.2 million General Fund-State) to support these activities.

### **Reductions**

General Fund-State funding to COM is reduced by \$29.6 million. The largest portion of these reductions is to the Essential Needs and Housing Program, which is reduced by \$20 million in the biennium. The Essential Needs and Housing Program was established in 2011 and the reduction reflects lower demand for the program's services than originally projected. Funding for a number of pass-through grants funded through the state general fund for economic development, community mobilization, and other activities are eliminated in the 2013-15 budget, achieving a savings of \$6.4 million.

### **Increases**

General Fund-State funding to COM is increased by \$8.4 million. The largest portion of these increases is \$4.9 million for COM to establish and operate a community health care, education, and innovation center at the Pacific Medical Center in Seattle. Funding is also provided for the Pacific Medical Center in the capital budget.

A total of \$1.4 million is provided for COM to identify, prioritize, and invest in strategic growth areas of the state. COM must receive a 100 percent match for every dollar expended for these purposes.

A total of \$1 million is provided for a contract with the Washington Tourism Alliance to expand and promote the tourism industry in Washington.

## **Office of the Secretary of State**

Funds are provided to purchase statewide online access to the Microsoft Information Technology Academy to allow public access to online courses and learning resources through public libraries.

## **Innovate Washington**

Chapter 14, Laws of 2011, 1st sp.s., Partial Veto (2ESB 5764) created Innovate Washington as the successor agency to the Washington Technology Center and the Spokane Intercollegiate Research and Technology Institute. General Fund-State support for Innovate Washington is eliminated in the 2013-15 operating budget for a savings of \$5.6 million. Innovate Washington retains \$3.4 million in total funds.

## **Department of Revenue**

Funding is provided for the phased replacement of the core tax collection systems. In a six-year project, the Department of Revenue will replace these legacy systems to reduce operational risks and increase available features. Business licensing system replacement is funded by the Master License Account. Total funding for the legacy migration is \$11 million.

## **Liquor Control Board**

Funding is provided to implement Initiative 502 (an act relating to marijuana). The Liquor Control Board (LCB) will conduct additional rulemaking, update information technology, and implement licensing activities related to

marijuana production, distribution, and sales. Expenditure authority is increased in the Liquor Revolving Account to reflect these costs.

Additionally, LCB is provided expenditure authority for additional enforcement officers to address public safety concerns associated with the increase in on- and off-premise licensees, product theft and smuggling, and underage consumption. Officers will perform duties such as educating licensees and conducting investigations and undercover compliance checks.

Implementation of Initiative 1183, which mandated the privatization of liquor sales, is continued with funding for LCB to establish auditing and administrative functions for liquor tax collections. With these additional resources, the The Department of Revenue will generate an additional \$4.8 million per year in state and local revenues through the enforcement of liquor taxes.

### **Attorney General**

As part of a pilot program to investigate potential savings by leasing rather than purchasing computer equipment, funding is provided to the Office of the Attorney General in the 2013-15 biennium to replace a portion of its computers and laptops.

### **Military Department**

An expenditure authority of \$8 million is provided from the Enhanced 911 Account to complete the upgrade of the current 911 telephone system to accommodate Next Generation 911 technology. During fiscal years 2014 and 2015, financial assistance will be provided to 22 counties for the replacement of 911 telephone equipment that is at the end of its life and will not be supported by the manufacturer beyond 2014.

### **Department of Enterprise Services**

Existing fund balance in the Data Processing Account will be used to complete the pilot implementation of a time, leave, and attendance system. Implementation of this enterprise system will focus on the Department of Transportation (WSDOT) and Department of Ecology as pilot agencies. The scope of work scheduled for the 2013-15 biennium is estimated at \$15 million.

Unused fund balance related to closing out the Central Stores and Materials Management Center programs will provide funding for process assessment and preparation associated with the configuration and implementation of a modernized financial management system known as Enterprise Resource Planning. The scope of work scheduled for the 2013-15 biennium is estimated at \$2.4 million.

### **Office of Minority and Women's Business Enterprises**

Expenditure authority is increased by \$200,000 to implement a federal program collaboratively with WSDOT to certify small businesses as Small Business Enterprises. Funding for this work is being provided through an interagency agreement with WSDOT.

### **UtilitiesGovOG and Transportation Commission**

Reforms in communications services pursuant to Chapter 8, Laws of 2013 2nd sp.s. (2E2SHB 1971) will provide \$5 million to establish a state universal communications service program that will allow eligible communications providers to receive distributions from the Universal Communications Services Account. The program will terminate on June 30, 2019.

## **Central Service and Information Technology Savings**

### **The Attorney General**

The OAG will work with state agencies to implement stricter policies and best practices to achieve lower legal bills. These efficiencies will be spread to all client agencies for total savings of \$3 million. State agency appropriations are reduced by \$1.2 million in near-state general funds and \$1.8 million in other funds.

### **Central Service Efficiencies**

Through the continued work of central service agencies to reduce both rates and expenditure authority, funding is reduced by \$5 million for both information technology services and consolidated central services to state agencies, for a total state general fund reduction of \$10 million. State agencies will work with the Office of Financial Management and central service agencies to realize savings in procurement, maintenance, operations, and delivery of information technology and central services.

Funding is reduced by \$20 million in recognition of efficiencies gained by consolidating back-office functions after the consolidation of five state agencies within the Department of Enterprise Services. Additional savings are realized by rate reduction that will reduce charges paid by state agencies by a total of \$5 million.

### **Office of Minority and Women's Business Enterprises**

The Office of Minority and Women's Business Enterprises (OMWBE) has restructured the funding mechanism for the OMWBE Enterprise Account. OMWBE will receive a percentage of Master Contract Management Fees paid by vendors who do business with the state and will no longer be billed as a central service to all state agencies. Under this funding model, OMWBE will no longer receive any state general funds.

# Department of Social & Health Services

## **Children and Family Services**

A total of \$1.1 billion (\$594.3 million General Fund-State) is provided for services to children and families. This represents a 3.6 percent increase in appropriated funds from levels provided in the 2011-13 biennium. The Department of Social and Health Services (DSHS) Children's Administration operates Child Protective Services (CPS), which responds to reports of child abuse or neglect. DSHS also operates the foster care system for children who are in out-of-home placements with caregivers and the adoption support program for children who have been adopted from the foster care system. Additionally, DSHS contracts for prevention, early intervention services, and services for children and families involved in the child welfare system.

A total of \$16.6 million in total funds (\$1.8 million General Fund-State) is provided for implementation of Family Assessment Response (FAR). FAR is an alternative to an investigative response that aims to safely avoid out-of-home placement by providing basic needs and engaging families in services. A total of \$3.6 million (\$2.8 million General Fund-State) is provided for additional CPS investigative staff.

Chapter 332, Laws of 2013 (E2SSB 5405) expanded extended foster care services to eligible youth who have an open dependency case at age 18 and are participating in an activity designed to promote employment. A total of \$6.4 million (\$4.5 million General Fund-State) is provided to serve these youth.

## **Juvenile Rehabilitation Administration**

A total of \$189 million (\$180 million General Fund-State) is provided for the Juvenile Rehabilitation Administration (JRA) for treatment and intervention services for juvenile offenders. The JRA system is budgeted to provide incarceration for a monthly average of 552 juvenile felons in residential facilities and supervision to a monthly average of 371 youth on parole. Funding is also provided for grants to county juvenile courts and communities for alternative dispositions, evidence-based treatment, and other prevention and intervention services. The JRA funded level represents an increase of 5.2 percent from the 2011-13 biennium.

The budget provides an increase of \$1 million (\$620,000 General Fund-State) to enhance safety and mental health services for youth residing in JRA institutions.

## **Mental Health**

Mental health services for those living with severe, chronic, or acute mental illnesses are administered primarily through DSHS. These services include operation of two adult state hospitals that deliver psychiatric treatment to clients on civil or forensic commitment orders and for the Child Study Treatment Center, which is a small psychiatric inpatient facility for children and adolescents. In addition, DSHS contracts with 11 Regional Support Networks (RSNs) as local administrative entities to coordinate crisis response, community support, and residential and resource management services through a network of community providers. Services for Medicaid-eligible consumers within each RSN are provided through a capitated Prepaid Inpatient Health Plan. Limited services that cannot be reimbursed through the Medicaid program are provided within available state and local resources.

A total of \$1.7 billion (\$916.6 million in General Fund-State) is provided for operation of the public mental health system. This reflects an increase in total funds of \$72.7 million (4.4 percent) from the estimated amount needed to maintain the current level of mental health services and activities.

- A net increase of \$23.9 million in total funding is provided for the implementation of the Medicaid expansion under the Affordable Care Act (ACA). The expansion allows some low income individuals that are currently ineligible for Medicaid to enroll in Medicaid effective January 2014. During the 2013-15 biennium, the

federal government will pay 100 percent of the cost for Medicaid-covered treatment services for this population. The increase in federal funding for mental health is estimated at \$74.6 million. Some of the individuals who were previously served with state funds will qualify for the federally funded program resulting in a savings of \$50.7 million in General Fund-State.

- An increase of \$31.3 million in total funds (\$19.9 million in General Fund-State) is provided for implementation of legislation enacted during the 2013 session to improve mental health services and accountability and strengthen the involuntary commitment system. This includes the following: Chapter 284, Laws of 2013 (ESSB 5551), which requires additional resources to meet timely completion of competency evaluations for in-custody defendants; Chapter 289, Laws of 2013 (E2SHB 1114), which modifies procedures and standards for involuntary treatment of persons who have been deemed incompetent to stand trial for violent felonies; Chapter 320, Laws of 2013 (ESHB 1519), which requires the use of evidence-based practices and the creation of performance measures for service coordination organizations; Chapter 335, Laws of 2013 (ESSB 5480), which requires additional resources to meet the commitment needs for expanded involuntary commitment and detention criteria; Chapter 338, Laws of 2013 (2SSB 5732), which requires implementation of a strategy for the improvement of the adult behavioral health system and enhanced services facilities to provide appropriate community placements for individuals who reside in state hospitals but no longer require active treatment; and Chapter 197, Laws of 2013 (ESHB 1336), which requires mental health first aide training provided to teachers and educational staff in an effort to recognize and address when youth are suffering from mental illness.
- An increase of \$13.9 million in total funds (\$11.6 million in General Fund-State) is provided for the state hospitals to enhance security and develop and implement a new electronic medical records system that will allow for electronic sharing of patient information with doctors' offices, hospitals, and other health systems. These enhancements are required in order to meet federal requirements that allow federal funding to be used in the state facilities. DSHS is to achieve savings of \$1.2 million in General Fund-State during the 2013-15 biennium by reducing the number of state hospital bed days associated with patients whose conditions have improved to the point where they no longer meet criteria for use of federal funds in an inpatient setting.

### **Aging and Disabilities Services Administration (Developmental Disabilities and Long-Term Care)**

Within DSHS, the Aging and Long Term Services Administration administers the Long Term Care (LTC) program and the Developmental Disabilities Administration administers the Developmental Disabilities (DD) program. These programs provide long-term supports and services to vulnerable adults and children in residential, community, and in-home settings. While these programs serve two distinct populations, they are both institutionally-based Medicaid "entitlement" programs with options for home and community services that share some vendors including represented homecare workers and adult family homes. The entitlement program in LTC is the nursing home or skilled nursing facility program. The entitlement program in DD is the state-operated Residential Habilitation Centers. Total funding for these two programs combined accounts for 50 percent of the DSHS budget, and is approximately \$5.9 billion total (\$2.9 billion General Fund-State) in budgeted expenditures for the 2013-15 biennium. This represents a 10.8 percent increase from the 2011-13 funded level, predominately due to the arbitration award for homecare workers.

The 2013-15 operating budget includes the following items (which impact both programs):

- A total of \$292 million (\$146 million General Fund-State) is provided to fully fund the 2013-15 arbitration award for individual providers. This includes wage and health care increases in both years of the biennium, a paid holiday, an increase in the number of miles for which providers may be reimbursed, initial certification and testing fee subsidies, and pay differentials for workers who obtain certification and who complete advanced training. This includes funds to meet statutory parity requirements for homecare agencies.



- A total of \$26 million (\$6 million General Fund-State) is provided to upgrade the timekeeping and payroll system for individual in-home providers as needed to comply with Medicaid reporting rules for W-2 providers and to meet requirements of collective bargaining.
- A total of \$13 million (\$7 million General Fund-State) is provided for anticipated increased exception-to-rule (ETR) requests related to *M.R. v Dreyfus*, 697 F.3d (2012). Upon a client request, DSHS may provide an ETR and increase the number of service hours allocated to that individual if it is found to be in the interest of both the overall economy and the client's welfare.

The following items from the 2013-15 operating budget are unique to each program and are therefore described separately:

### **Developmental Disabilities**

- A total of \$21 million (\$12 million General Fund-State) is provided for additional community capacity for people with developmental disabilities. Medicaid waiver slots are funded for about 300 students transitioning from high school, 700 individuals primarily in need of employment services, and 50 clients in need of out-of-home placement. Funding is also provided for clients in need of community crisis stabilization.
- \$1.5 million General Fund-State is provided to increase the number of clients served by the Individual and Family Services (IFS) Program, including respite services. Programmatic changes, as well additional funding, will allow approximately 1,500 clients who are not currently receiving paid services from the Developmental Disabilities Administration to enter the IFS Program during the 2013-15 biennium.

### **Long Term Care**

- A total of \$3 million (\$1.5 million General Fund-State) is provided pursuant to Chapter 338, Laws of 2013 (2SSB 5732) to implement enhanced services facilities in the community for individuals residing in state hospitals with mental illness who no longer require active treatment.
- A total of \$63 million (\$32 million General Fund-State) in savings is achieved from a delay of the planned rebase of non-capital nursing home rate components; the rebase is delayed for the entire biennium. Two rate component add-ons, the comparative add-on and the acuity add-on, which were established in 2011 are extended. Case mix adjustments continue to occur.

### **Economic Services Administration**

The Economic Services Administration (ESA) operates a variety of programs for low-income persons and families. These programs include the federal Supplemental Nutritional Assistance Program (SNAP), the State Food Assistance Program, the Aged, Blind, or Disabled Assistance Program, the WorkFirst/Temporary Assistance for Needy Families Program (TANF) Program, and assistance to refugees. ESA also determines eligibility for a variety of state assistance programs.

A total of \$2 billion (\$808 million General Fund-State) is provided to ESA for administration of programs and delivery of services. This reflects a reduction in total funds of \$68.4 million (3.2 percent) from the estimated amount needed to maintain the current level of services and activities.

State general fund savings of \$209 million are achieved through forecasted caseload reductions in the WorkFirst/TANF Assistance Program and the Working Connections Child Care (WCCC) Program and the receipt of federal contingency funds used to offset state expenditures. This includes savings assumed in the 2013 supplemental operating budget as well as the 2013-15 operating budget. Other major policy changes for these programs include a rate increase for WCCC providers (\$14.8 million General Fund-State); further reductions in the TANF caseload assumed from redesign of the program (-\$3.6 million General Fund-State); and a reduction in funding for employment and education services provided to TANF clients (-\$2.0 million General Fund-State).

Major policy changes in other programs include:

- The monthly benefit for the state food assistance program, which provides assistance to legal immigrants, is increased to 75 percent of the federal supplemental nutrition assistance program benefit level (\$9.4 million General Fund-State.)
- In accordance with Chapter 10, Laws of 2013, 2nd sp.s. (SHB 2069), the disability standard applied by DSHS in making disability determinations for the Aged, Blind, and Disabled program is broadened (\$2 million General Fund-State).
- Funding and 4.5 FTEs are provided to begin modifying the Automated Client Eligibility System in accordance with changes to the eligibility system associated with implementation of the ACA Medicaid expansion (\$2.7 million General Fund-State). This includes funding provided in the 2013 supplemental budget.

### **Alcohol and Substance Abuse**

The Alcohol and Substance Abuse Program coordinates state efforts to reduce the impacts of substance abuse and problem gambling on individuals and their communities. DSHS contracts with counties and community organizations to provide prevention, treatment, and other support services for individuals with problems related to alcohol, tobacco, drugs, and gambling. Regional administrators work with county coordinators and County Substance Abuse Administrative Boards to plan services and monitor contracts. DSHS also manages government-to-government contracts with 29 tribes for prevention and treatment services for Native Americans.

A total of \$444 million (\$135.7 million General Fund-State) is provided for alcohol and substance abuse services. This reflects an increase in total funds of \$72.1 million (19.4 percent) from the estimated amount needed to maintain the current level of alcohol and substance abuse activities.

A net increase of \$59.3 million in total funding is provided for the implementation of the Medicaid expansion under the ACA. The expansion allows for some low income individuals that are currently ineligible for Medicaid to enroll in Medicaid effective January 2014. During the 2013-15 biennium, the federal government will pay 100 percent of the cost for Medicaid covered treatment services for this population. The increase in federal funding for alcohol and substance abuse treatment is estimated at \$76.5 million. As some of the individuals who are expected to be covered under the expansion were previously served with state funds, there is expected to be savings of \$17.2 million in state funds related to the ACA Medicaid expansion.

DSHS is directed to increase federal support of residential programs by shifting 128 beds in settings that are designated as Institutions for Mental Diseases to 16-bed facilities, which may bill Medicaid for reimbursable services. One-time transitional funding of \$2.6 million is provided in fiscal year 2014 to assist with the transition. Annual savings in state funds of approximately \$2.9 million are assumed beginning in fiscal year 2015.

DSHS is authorized to increase federal expenditures on pregnant and parenting women programs by up to \$5.5 million by phasing in program modifications needed to maximize access to federal Medicaid matching funds. An increase of \$2.7 million total funds (\$1.2 million state) is provided for increasing treatment services to low income individuals with convictions for driving under the influence in accordance with Chapter 35, Laws of 2013, 2nd sp.s. (E2SSB 5912).

# Other Human Services

## Low-Income Medical Assistance

A total of \$12.3 billion is provided to pay for medical and dental services for an average of 1.5 million low-income children and adults each month by the end of the 2013-15 biennium. This is a \$2.3 billion (23 percent) increase from the funding levels provided in the 2011-13 biennium for these services. Of the \$12.3 billion, \$4.9 billion are state funds; \$7.2 billion are federal funds, primarily from Medicaid; and the rest are local government funds provided for purposes of collecting Medicaid matching funds. Of the \$4.9 billion in state funds, \$4.2 billion is from the state general fund and \$669 million is from the Hospital Safety Net Assessment Fund created in 2010. The state general fund spending is \$180 million (4 percent) more than the 2011-2013 biennium, but \$502 million (11 percent) less than the amount needed to maintain current service coverage and payment policies through 2015.

Washington will exercise the option under the federal Affordable Care Act (ACA) to expand the Medicaid program to cover adults under 65 years of age with incomes at or below 133 percent of the federal poverty level (FPL) effective January 1, 2014. Full Medicaid expansion is expected to increase the number of people covered by the state Medicaid program by approximately 235,000 in 2015. This is a 22 percent increase over the current forecasted levels for 2015 without the Medicaid expansion.

Approximately \$351 million in state general fund savings is anticipated in the 2013-15 biennium as a result of the Medicaid expansion under the ACA. During the first three years of the Medicaid expansion, the federal government will provide a 100 percent match for the newly eligible group's medical costs. The Health Care Authority (HCA) and other state agencies will phase out various state-funded programs or streamline and reduce duplicate coverage and services provided under the ACA. These programs and services are provided across several agencies including HCA (\$262 million), the Department of Social and Health Services (DSHS) (\$77 million), the Department of Health (DOH) (\$8.3 million), the Department of Corrections (DOC) (\$2.2 million), and the Department of Labor and Industries (\$1 million). Clients can enroll in Medicaid under the expansion with a 100 percent federal match, or they can enroll in subsidized coverage through the Washington Health Benefit Exchange if their incomes are above 133 percent of the FPL.

The Hospital Safety Net Assessment (HSNA) Program, set to expire at the end of fiscal year 2013, was established to generate additional state and federal funding to support payments to hospitals for Medicaid services. As provided in Chapter 17, Laws of 2013, 2nd sp.s. (ESSB 5913), the HSNA Program will continue until the end of fiscal year 2017 with an incremental phase-down beginning in fiscal year 2016. Instead of increased inpatient and outpatient payment rates, hospital assessment funds will be used to provide supplemental payments and increased managed care premiums for hospital services. The state general fund appropriation is reduced by \$272 million as a result.

Approximately \$72 million (\$23 million in state funds) are appropriated to restore coverage for preventive and restorative dental services and dentures for currently eligible and newly eligible Medicaid adults.

## Department of Health

The DOH has a total budget of \$1 billion (\$119.4 million General Fund-State) to provide educational and health care services, administer a variety of health care licensure programs, regulate drinking water and commercial shellfish production, respond to infectious disease outbreaks, support local public health jurisdictions, and operate the state's public health laboratory.

Fewer clients are expected to enroll in the DOH HIV Client Services and Breast, Cervical, and Colon Health programs after the clients become eligible for health insurance under the federal ACA. Funding is reduced by \$13.1 million (\$8.4 General Fund-State) to reflect the anticipated decrease in demand for these programs.

The budget collapses the three disparate public health funding streams into a single block grant dispersed through the Office of the State Treasurer. A total of \$760,000 in savings is achieved by reducing DOH programmatic and administrative functions tied to the public health distributions.

In addition:

- Savings of \$5.8 million is anticipated by increasing the use of dedicated funds in lieu of state general fund (HIV Drug Rebates, \$3.4 million and Public Health Laboratories, \$2.4 million).
- A total of \$5 million in Health Professions Account-State expenditure authority was added for enacted legislation and other programs.

### **Department of Corrections**

A total of \$1.7 billion is provided to DOC for prisons and community supervision of offenders. The prison system is budgeted to provide incarceration for a monthly average of 17,088 prison and work release inmates and 522 offenders who have violated the terms of their community supervision. The community program is budgeted to provide supervision to a monthly average of 15,460 offenders who have either received sentencing alternatives or have served the confinement portion of their sentences and have been released into the community. This funding level represents an increase of \$60.2 million (3.7 percent) from the 2011-13 biennium, and an increase of \$3.8 million (0.2 percent) from the 2013-15 maintenance level.

A total of \$5.3 million is provided for prison safety enhancements consistent with recommendations by the Statewide Security Advisory Committee. These include increased correctional officer staffing levels in medium security housing units on day shift and stand-alone minimum security facilities on graveyard shift; upgrades and improvements to radio, security, and telephone systems at several institutions; and the replacement of ballistic and stab-resistant protective gear for prison staff.

A total of \$3.6 million is provided to align housing and placement with the specific health and safety needs of certain prison populations. This includes expanded use of the sex offender risk assessment to improve classification and programming for this population; additional mental health staffing to provide specialized housing for offenders with developmental disabilities, traumatic brain injuries, or mental health needs; funding to improve treatment for inmates with Hepatitis C; and two additional dental hygienists at prison locations where currently there are no on-site dental programs.

Savings of \$11.5 million are achieved from policy changes to reduce the forecasted Average Daily Population (ADP) and decrease the demand for prison beds. The savings include:

- \$7.8 million related to delaying the opening of one of two new medium security units at the Washington State Penitentiary. Increased residential beds for the Drug Offender Sentencing Alternative (DOSA) are expected to reduce the ADP by 272 beds. In addition, DOC is authorized to rent local jail beds for short-term offenders who have 120 days or fewer remaining on their sentence when they would otherwise transfer from jail to DOC. When this policy is fully implemented, approximately 290 fewer offenders will go through the reception process annually, reducing the need for DOC capacity by an additional 52 beds. DOC is also authorized to rent up to 300 local jail beds, at no net cost to the DOC, for medium or lower security offenders.
- \$3.7 million pursuant to Chapter 14, Laws of 2013, 2nd sp.s. (2ESSB 5892) which modifies the Drug Sentencing Grid and requires DOC to standardize the way earned release is calculated for felony offenders transferring in from jails so that that the earned release for pre-sentence time served in jails is consistent with the rate applicable to DOC offenders. These policies are anticipated to reduce the growing demand for prisons by 177 beds.

One-time savings of \$4.7 million are assumed as DOC revamps the way programming is provided to offenders in prisons and in community supervision to be based on a Risk-Needs-Responsivity model. Some of the one-time savings from under-expenditures are temporarily used to consult with the Washington State Institute for Public Policy on evidence-based, research-based programming and to hire a consultant who can facilitate and provide project expertise on the implementation plan and timeline.

A total of \$7 million is transferred from the Department of Social and Health Services (DSHS) to DOC to provide stewardship of McNeil Island. The United States General Services Administration has said the state is out of compliance with its correctional use deed and has expressed concern about the lack of maintenance of the property. Prior to the April 2011 closure of the McNeil Island prison, marine operations, waste water treatment, water treatment, road maintenance, and general island maintenance were the responsibility of DOC. These tasks will revert to DOC as part of the Correctional Industries (CI) program, utilizing and providing job skills to offenders who are on community supervision or nearing the end of their sentence and preparing to enter local communities while also providing the minimum maintenance and preservation necessary to remain in compliance with the federal deed for McNeil Island. The Special Commitment Center operated by DSHS remains funded at \$6.2 million for island costs including operating the fire department and island security functions.

### **Criminal Justice Training Commission**

A total of \$28.4 million is provided from the General Fund-State to the Criminal Justice Training Commission (CJTC) for training and certification of local law enforcement and corrections officers and pass-through funds to the Washington Association of Sheriffs and Police Chiefs; this funding reflects a 1.1 percent reduction from the 2011-13 biennium. The budget assumes funding for nine basic law enforcement academies in fiscal year 2014 and nine academies in fiscal year 2015.

Savings of \$2 million is realized from elimination of grant funding to three rural areas historically underserved by federally funded narcotics task forces. These three narcotic task forces were originally created as pilots pursuant to Chapter 339, Laws of 2006 (E2SSB 6239). The Legislature had continued to provide grant funding during the 2011-13 biennium for these pilot task forces after they expired statutorily on June 30, 2010.

### **Employment Security Department**

The Employment Security Department has a total budget of \$682.9 million to administer Washington's unemployment insurance system, operate the WorkSource system, operate the Washington Service Corps, and conduct labor market and economic analysis.

As a result of Chapter 26, Laws of 2013, 2nd sp.s. (HB 2044), which suspends the Family Leave Insurance Program until the Legislature appropriates funding and enacts an implementation date, \$13.6 million in state general fund savings are achieved in the 2013-15 biennium. Family Leave Insurance would provide leave time and a weekly benefit to eligible employees caring for a newborn or newly adopted child.

A total of \$12.4 million in federal funds are provided to complete the replacement of the unemployment insurance tax information computer system.

### **Department of Labor and Industries**

The Department of Labor and Industries has a total budget of \$656.8 million to administer Washington's Workers' Compensation System, manage the Occupational Health and Safety Program, operate the Crime Victims' Compensation Program, and regulate building practices.

A total of \$8.6 million from dedicated accounts is provided to enhance the Workers' Compensation System by increasing medical management staff, offering claimants electronic benefit payments, and developing an online reference tool to assist in claims decisions.

The Crime Victims' Compensation Program is reduced by \$1 million in state general funds to reflect the anticipated decrease in demand for medical benefits when more individuals become eligible for health insurance under the ACA.

**Department of Veterans' Affairs**

A total of \$133 million in total funds is provided for veterans' services for soldiers and their families. This represents an increase of 13.5 percent in total funds from the 2011-13 biennium. Of the increased appropriation, \$6.7 million is provided for the operation of the new Walla Walla State Veterans Home, which will begin accepting clients in July 2014.

# Natural Resources

## **Land and Species Management**

### **Support for State Parks and Recreation Commission**

Chapter 15, Laws of 2013, 2nd sp.s. (ESSB 5897), appropriates \$5 million per fiscal year through 2017, from the Waste Reduction, Recycling, and Litter Control Account (Litter Tax) to the Parks Renewal and Stewardship Account to bridge a shortfall in Discover Pass revenue projections and to meet the maintenance and operational activities necessary to preserve the state park system. The State Parks and Recreation Commission is also provided \$8.4 million of state general fund and an additional \$1.7 million of Litter Tax funds on a one-time basis for a total of \$20.1 million of additional funding during the 2013-15 biennium.

### **Aquatic and Trust Land Preservation and Productivity**

A mix of one-time and ongoing dedicated state funding are provided to the Department of Natural Resources (DNR) in the sum of \$10.8 million for aquatic lands business and environmental management activities, which include: remedial investigation work at toxic aquatic sites, aquatic lease reviews and compliance, adaptive management activities designed to restore aquatic habitat in the Puget Sound, and removal of creosote pilings and derelict vessels.

To reflect increasing timber prices, a total of \$8.4 million of ongoing funding is provided from the Forest Development Account and the uplands portion of the Resources Management Cost Account (RMCA) to DNR for land management activities delayed by declining timber prices and revenues. Activities include silvicultural plantings and pre-commercial thinning, which help to ensure the vitality of the forest and reduce fire danger, and enhanced surveying capacity to improve data used for timber sales.

### **Marine Management**

A total of \$3.7 million from the aquatics portion of the RMCA is transferred to the Marine Resources Stewardship Trust Account for marine spatial planning activities including mapping, ecological assessment, data tools, and stakeholder engagement. The funds will also support the advisory councils established pursuant to Chapter 318, Laws of 2013 (ESB 5603), and the councils' efforts to address coastal water issues, including ocean acidification and resource management.

### **Wolf Management**

A total of \$1.56 million from the State Wildlife Account is provided to the Department of Fish and Wildlife (WDFW) for activities related to the protection and management of non-game species, including wolves, pursuant to Chapter 329, Laws of 2013 (E2SSB 5193), which increased the initial application and renewal fees by \$10 for personalized state license plates. Of this amount, \$1 million is provided solely to promote and engage non-lethal deterrence methods relating to wolf and livestock interaction, cooperative agreements with livestock producers, and compensation for injury or loss of livestock caused by wolves.

## **Environmental Protection and Pollution Abatement**

### **The Model Toxics Control Act and Hazardous Substance Tax**

Chapter 1, Laws of 2013, 2nd sp.s. (E2SSB 5296) amended the distribution and authorized use of Hazardous Substance Tax (HST) revenues deposited into the State Toxics Control Account (STCA) and the Local Toxics Control Account (LTCA) established by the Model Toxics Control Act of 1988, and created the Environmental Legacy Stewardship Account (ELSA) to fund certain authorized pollution prevention and contamination cleanup activities at a quicker-than-average schedule. Pursuant to the legislation, \$45 million from the STCA and \$45 million from the LTCA are transferred to the ELSA on a one-time basis during the 2013-15 biennium, and any HST revenue exceeding \$140 million per fiscal year is deposited into the ELSA. In addition, a total of \$19.2

million in STCA and \$21.3 million in LTCA expenditures at the Department of Ecology (DOE) are permanently shifted to the ELSA.

The legislation also created the Radioactive Mixed Waste Account, funded with \$13.8 million in revenue previously deposited in the STCA from receipts received from facilities assessed service charges for expenditures on the regulation of current or decommissioned facilities that treat, store, or dispose of mixed waste.

#### **Water Quality Protection on Agricultural Lands**

A total of \$1.5 million from the STCA and federal funds are provided to the State Conservation Commission (SCC) to implement the Voluntary Stewardship Program in Thurston and Chelan counties.

#### **Training for Low-Impact Development Practices**

A total of nearly \$2 million from the ELSA is provided to DOE for training of local governments and developers on the practices and benefits of low-impact development, such as porous pavement and vegetation use in construction, which is or will soon be required for municipal stormwater permits to reduce the impacts on state water quality from stormwater runoff.

#### **Other Enhancements**

Pursuant to a negotiated settlement in 2003, \$2.9 million in one-time funding is provided to DOE to support the update of local shoreline master programs for the protection of shoreline habitat and water quality that affect Puget Sound health.

A total of \$1.1 million in expenditure authority is provided to WDFW for activities to maintain and operate wildlife lands.

SCC is provided \$1 million in state dedicated funds for increased technical assistance and incentive-based program support within local conservation districts.

A total of \$900,000 is provided to WDFW for the transfer of trout from the Clarks Creek hatchery to the Lakewood hatchery to enable increased salmon production and for increased Chinook salmon production on the Cowlitz River.

A total of \$800,000 is provided to the Puget Sound Partnership (PSP) to coordinate a cooperative multi-jurisdictional study of juvenile steelhead marine survival in an effort to identify the causes behind, and remedies to, a declining Puget Sound Steelhead population.

A total of \$600,000 is provided to PSP for two watershed-based levee vegetation projects intended to address and resolve conflicting demands and federal policies that affect floodplains.

DNR is provided \$500,000 of state general fund on an ongoing basis for additional enforcement officers on lands managed by DNR.

One-time funds totaling \$500,000 are provided to DOE as pass-through funding for a study that will evaluate possible local impacts from ultrafine particle air pollutants that could be emitted from two biomass co-generation facilities planned near Port Townsend and Port Angeles.

#### **Savings and Fund Shifts to Reduce State General Fund Expenditures**

Approximately \$2.9 million in state general fund at DOE is reduced for watershed planning, implementation technical assistance and grants to local governments.



Approximately \$2.1 million in state general fund at WDFW is reduced for payments in lieu of taxes to counties in the state that elect to receive payments from the state.

State general fund savings are achieved by utilizing existing fund balances in dedicated accounts.

- A total of nearly \$9.7 million from the state general fund was reduced and offset with a one-time shift to the Aquatic Lands Enhancement Account for expenditures in forest practices, the hydraulic project approval program, hatcheries, aquatic invasive species, and commercial shellfish management.
- A total of \$39 million from the State Toxics Control Account replaces an equivalent reduction from the state general fund for Air Quality, Water Quality, Shorelands and Environmental Assistance, and Administration programs.

# Transportation

The majority of the funding for transportation services is included in the transportation budget, not the omnibus appropriations act. For additional information on funding for these agencies and other transportation funding, see the Transportation section of the Legislative Budget Notes. The omnibus appropriations act only includes a portion of the total funding for the Washington State Patrol (WSP) and the Department of Licensing (DOL).

## **Washington State Patrol**

A total of \$4.2 million in costs is shifted in WSP between the state general fund and the Death Investigations Account.

A total of \$4 million from the Enhanced 911 Account and the Fingerprint Identification Account are provided for WSP to begin upgrades to the state Criminal History Records System and to covert approximately 17 million records stored on microfiche to a digital format.

## **Department of Licensing**

DOL is provided \$566,000 in expenditure authority to expand metal theft prevention and establish a licensing and regulatory program for scrap metal. The program requires a person engaging in the business of a scrap metal processor, scrap metal recycler, or scrap metal supplier to obtain a scrap metal license, pursuant to Chapter 322, Laws of 2013 Partial Veto (ESHB 1552).

Pursuant to Chapter 187, Laws of 2013 (SHB 1779), DOL is provided expenditure authority for one-time costs associated with the creation and regulation of an endorsement for master estheticians, including a definition of scope of practice and an increase in required school hours for the endorsement.

# Public Schools

## Enhancements to the Program of Basic Education

### **Materials, Supplies, and Operating Costs**

A total of \$374 million is provided to continue implementation of the enhancement to the Materials, Supplies, and Operating Costs (MSOC) component of the prototypical school funding formula. The allocation per FTE student is increased from \$562.88 to \$737.02 in school year 2013-14 and \$781.72 in school year 2014-15. The school year 2013-14 and 2014-15 allocations fund approximately 37 percent and 44 percent, respectively, of the difference between the maintenance level funding allocation and the actual audited student expenditures per FTE student by school districts, as reported by the Office of the Superintendent of Public Instruction (OSPI). Comparatively, these allocations fund approximately 28 percent and 33 percent, respectively, of the MSOC target identified in RCW 28A.150.260 (8)(b).

### **Learning Assistance Program**

A total of \$143.1 million is provided to increase the number of state-funded instructional hours in the Learning Assistance Program (LAP) from 1.5156 hours per week per FTE student to 2.3975 hours per week. In addition, Chapter 18, Laws of 2013, 2nd sp.s., Partial Veto (ESSB 5946) broadens the permitted uses of LAP funds by school districts and prioritizes funds for early grade reading proficiency.

### **Implement the Expected Cost Pupil Transportation Funding Model**

A total of \$131.7 million is provided to complete implementation of an expected cost Pupil Transportation Funding Model. Allocations are phased-in such that funding in school year 2013-14 is sufficient to achieve approximately 39 percent of full implementation and funding in school year 2014-15 is sufficient to achieve full implementation, as required by Chapter 548, Laws of 2009, Partial Veto (ESHB 2261) and Chapter 236, Laws of 2010 (SHB 2776). Upon full implementation in school year 2014-15, districts will receive state allocations as calculated under the Student Transportation Allocating Reporting System.

### **Reduce State-Funded Early Elementary Class Sizes**

Funding is provided to continue implementation of reduced early elementary class sizes, as required by Chapter 236, Laws of 2010 (SHB 2776). Kindergarten and first grade class sizes in high poverty schools are reduced to 20.85 FTE students in school year 2013-14 and 20.30 FTE students in school year 2014-15. Allocations for the reduced class size in school year 2014-15 are provided to the extent, and proportionate to, the eligible school's demonstrated actual average class size, but not less than 24.10 FTE students. Funding for this enhancement to the program of basic education, totaling \$103.6 million, includes an assumption that all eligible schools will demonstrate the reduced, funded class size of 20.30 FTE students.

### **Increase State-Funded Instructional Hours**

Beginning with fiscal year 2015, a total of \$97.0 million is provided to increase instructional hours from a district-wide average of 1,000 hours to 1,080 hours in each of grades seven through 12, as provided in Chapter 548, Laws of 2009, Partial Veto (ESHB 2261). The prototypical school funding formula is revised to provide an additional 2.2222 hours of instruction per week for students in grades seven through 12, beginning September 1, 2014.

### **Expand State-Funded Voluntary Full-Day Kindergarten**

A total of \$89.8 million is provided to expand the percentage of state-funded voluntary full-day kindergarten classes. In school year 2012-13, allocations for state-funded voluntary full-day kindergarten covered 22 percent of kindergarten enrollment. In school years 2013-14 and 2014-15, state-funded voluntary full-day kindergarten is increased to 43.75 percent of kindergarten enrollment. New recipients of the allocations are determined by school poverty levels. Chapter 236, Laws of 2010 (SHB 2776) requires full implementation of state-funded voluntary full-day kindergarten by 2018.

### **Guidance Counseling and Parent Involvement Coordinator Prototypical School Funding Model Formula Enhancement**

Funding is provided to support an enhancement to the prototypical school funding model by increasing the Parent Involvement Coordinator allocation by 0.0825 FTE staff for each prototypical elementary school, and increasing the Guidance Counselor allocations for the prototypical middle and high schools by 0.1 FTE staff. In total, \$24.1 million is provided, of which \$11.9 million supports the Parent Involvement Coordinator change and \$12.2 million supports the Guidance Counselor revision.

### **Transitional Bilingual Instruction Program Expansion**

A total of \$18.9 million is provided to add state-funded supplemental instruction following a student's exit from the transitional bilingual instruction program (TBIP). The additional hours of instructional support are phased in over a two year period. In the 2013-14 school year, three hours per week are provided for each student who has exited the TBIP in the prior year. The supplemental instruction is fully implemented in the 2014-15 school year with three additional hours of instructional support per week for each student that exited the TBIP in the immediate prior two years, as provided in Chapter 9, Laws of 2013, 2nd sp.s (ESHB 2051).

### **Other Enhancements to Public Schools**

#### **Teacher and Principal Evaluation Project Training**

A total of \$15.0 million is provided to continue implementation of the Teacher and Principal Evaluation Project, as provided in Chapter 35, Laws of 2012 (ESSB 5895). Within the amounts provided, \$5 million is a one-time allocation. The funding supports two broad training categories: (1) training for every teacher in the state to educate them in the new evaluation program and (2) ongoing, small team "train the trainer" series on student growth data for select staff from each school district.

#### **Grants to Support Persistently Lowest-Achieving Schools**

A total of \$10.3 million is provided to implement Chapter 159, Laws of 2013 (E2SSB 5329). The funding supports grants to school districts identified by OSPI as persistently lowest-achieving or as a Required Action District, as well as staffing and administration costs of the program at the OSPI.

#### **Local Effort Assistance**

A total of \$8.3 million is provided to support the estimated increase in Local Effort Assistance, resulting from enhancements to the program of basic education, including state funding allocations for: MSOC; early elementary class size reductions; continued implementation of state-funded voluntary full-day kindergarten; the LAP; the TBIP; increased instructional hours for grades seven through 12; guidance counselors and parent involvement coordinators; and completed implementation of the expected cost pupil transportation funding formula. Additionally, the per pupil inflator is revised such that it is 4.914 percent in both calendar years 2014 and 2015.

#### **Various Other Enhancements to Public Schools**

In addition to the enhancements discussed above, \$14.5 million is provided for: implementation of legislation adopted during the 2013 legislative session; continued support for programs previously supported by federal or private grants; dropout prevention and intervention programs; Science, Technology, Engineering and Math programs; college readiness programs; studies; and one-time workload increases.

### **Reductions and Savings**

#### **Suspend Cost of Living and Inflation Adjustments**

Chapter 5, Laws of 2013, 2nd sp.s. (HB 2043) achieved one-time savings totaling \$298.5 million General Fund-State in the 2013-15 biennium by suspending the Cost of Living Adjustments (COLAs) required by Initiative 732 and the National Board bonus inflation adjustment required by RCW 28A.405.415. Initiative 732, approved by voters in 2000, requires an annual COLA for school employees based on the Seattle Consumer Price Index (CPI) for the prior school year. The COLAs, based on the March 2013 estimate of the Seattle CPI, are 2.5 percent for the 2013-14 school year and 1.8 percent for the 2014-15 school year. The total estimated savings from

suspending the COLAs is \$295.5 million. The remaining \$3.0 million savings results from suspending inflation adjustments to the National Board certification bonus, which would otherwise be adjusted by the Implicit Price Deflator.

### **Assessment Reforms**

Chapter 22, Laws of 2013, 2nd sp.s. (EHB 1450) achieved ongoing savings totaling \$25.0 million by revising the statewide student assessments. The Superintendent of Public Instruction is directed to implement student assessments developed with a multistate consortium, beginning in the 2014-15 school year, and consolidate the current reading and writing exams into a single English language arts exam.

### **Prototypical School Funding Formula Implementation Hold Harmless Allocation**

Ongoing savings totaling \$24.7 million are achieved through the elimination of the prototypical school funding formula implementation hold harmless allocation. Chapter 236, Laws of 2010 (SHB 2776) established new formulas for allocating funding for a number of basic education programs, including General Apportionment, the LAP, the Highly Capable Program, and the TBIP. The 2011-13 operating budget provided funding to hold districts harmless to per-student funding amounts that existed prior to the formula conversion that became effective September 1, 2011. The enhancements to the basic education programs described above eliminate the need for the hold harmless allocation.

### **Alternative Learning Experience Audit Recoveries**

The State Auditor's Office (SAO) completed and released a summary of the 2010-11 school year audits of Alternative Learning Experience (ALE) programs on February 12, 2013, identifying up to \$26.9 million of possible overpayments to a total of 67 school districts. A one-time adjustment of \$11.1 million for audit recoveries based on the scope and size of the audit findings, adjusted for the historical ratio of SAO audit findings to the OSPI audit resolution recoveries for the ALE programs.

### **Other Reductions, Eliminations, and Savings**

Reductions totaling \$16.5 million are achieved through the elimination of three grant programs and regional Education Technical Support Centers. Partially offsetting this reduction, as discussed above, is a revision to the LAP, which broadens the permitted use of the funds by school districts. Additionally, limited administrative staffing at the OSPI is maintained to support programs that school districts elect to continue within their current funding.

Chapter 18, Laws of 2013, 2nd sp.s., Partial Veto, (ESSB 5946) revised the ALE programs, defining them by course rather than program type. Additionally, ALE course funding is revised such that funding is based on the statewide average basic education allocation rate for high school students. This revision in funding results in estimated savings totaling \$1.6 million.

Savings totaling \$4.2 million are achieved through the continued suspension of the Alternative Routes Certification Program, which offers different options to traditional teacher preparation programs.

# Higher Education

## Overview

For the 2013-15 biennium, a total of \$3.1 billion in state funds (Near General Fund-State plus Washington Opportunity Pathways Account) is provided in support of the higher education system (including financial aid), \$2.4 billion (78 percent) of which is appropriated to the public colleges and universities. Compared to the 2011-13 biennium, this represents a \$272.8 million (12.9 percent) increase in state funds to the institutions of higher education and a \$338.3 million (12.4 percent) increase in state funds to the higher education system overall.

No tuition increases are assumed for the 2013-15 biennium. For the 2013-14 academic year, institutions of higher education are prohibited from invoking their tuition setting authority, which was originally granted to four year institutions during the 2011 legislative session. For the 2014-15 academic year, four-year institutions and the community and technical colleges are authorized to exercise tuition setting authority. Institutions that choose to increase tuition above budgeted levels are required to use a portion of the additional revenue for student financial aid and to mitigate the increase for students with family incomes up to 125 percent of the median family income.

## Major Increases

### **Institutional Funding**

A total \$119.3 million is provided to the four-year universities and the community and technical colleges for general institutional support.

### **Computer Science and Engineering Expansion**

A total of \$17.6 million is provided to the University of Washington (\$8.9 million), Washington State University (\$5.7 million), and Western Washington University (\$3.0 million) to expand computer science and engineering enrollments.

### **Student Achievement Initiative**

\$10.5 million is provided to the State Board for Community and Technical Colleges (SBCTC) for the Student Achievement Initiative, which is used to increase educational attainment within community and technical colleges. Funds will be distributed by SBCTC to the community and technical colleges according to each college's performance in: building towards college-level skills; first year retention; completing college-level math; and degree, certificate, and apprenticeship training completions.

### **Additional Degree Programs**

A total of \$6 million in state funds and \$1.5 million in tuition resources will be used to expand Washington State University's medical programs in Spokane. Additionally, Washington State University will reestablish a forestry degree program within available tuition resources.

The University of Washington, within available tuition resources, may: a) form and implement an Integrated Innovation Institute and research, planning, and outreach initiatives at the Olympic National Resources Center; and b) accredit a four-year undergraduate forestry program from the Society of American Foresters. Accreditation may occur in conjunction with the reaccreditation of the Master of Forest Resources program.

SBCTC will utilize \$500,000 in state funds to create two applied baccalaureate degree programs that support the continuation of secondary education programs in science, technology, engineering, and math pursuant to Chapter 55, Laws of 2013 (2SSB 5624). SBCTC will also use \$510,000 in state funds to establish a maritime industries training program at South Seattle Community College.

**Clean Energy Institute**

A total of \$6.0 million is provided to create a Clean Energy Institute at the University of Washington. The Institute will integrate physical sciences and engineering with a research focus on energy storage and solar energy. Funding is provided to create the Institute, hire research and teaching staff, and to provide the computing resources necessary for research and modeling.

**College Bound Scholarship Program**

The College Bound Scholarship is open to low-income seventh and eighth graders who sign a pledge to meet certain criteria, including graduating from high school on time with a 2.0 grade point average. Students who meet the eligibility requirements of the program are awarded scholarships covering the costs of public sector tuition and fees and a small book allowance. The first College Bound Scholarship cohort began receiving funding in the Fall of 2012. \$36.0 million is provided to continue to serve this and future cohorts.

**Center on Ocean Acidification**

A total of \$1.8 million (\$1.1 million State Toxics Control Act Account; \$700,000 Aquatic Lands Enhancement Account) is provided to establish the Center on Ocean Acidification within the University of Washington to coordinate and conduct research to understand, monitor, and adapt to increasingly acidic waters.

**Financial Aid Reductions****Financial Aid Program Re-Suspension**

Savings are achieved as a result of continuing the 2011-13 suspension of the Future Teachers Conditional Scholarship Program, the Health Professionals Conditional Scholarship Program, the Washington Scholars Program, the Washington Award for Vocational Excellence programs, and the Small Grant Program (including the Community Scholarship Matching Grant Program, the Western Interstate Commission for Higher Education student exchange, and state contributions to the Foster Care Endowment Scholarship Trust Fund) for the 2013-15 biennium. Students who received awards in previous years will maintain those awards until they complete their programs.

# Other Education

## Department of Early Learning

A total of \$482.6 million (\$162.9 million General Fund-State and Opportunity Pathways) is provided to develop, implement, and coordinate early learning programs related to assisting children from birth to five. This represents an increase of \$32 million (25 percent) from the levels provided in the 2012 supplemental budget.

Funding and enrollment slots for the state's Early Childhood Education and Assistance Program (ECEAP) are expanded in the 2013-15 biennium. A total of 1,700 enrollment slots are added and \$24.6 million Near General Fund-State is provided in the biennium. The enrollment slot rate is increased in the second year of the biennium to \$7,500 from \$6,812. This represents a 20 percent increase in enrollment slots and a 10 percent increase in reimbursement rates to providers by the end of the 2013-15 biennium. This ECEAP expansion begins the implementation of Chapter 231, Laws of 2010, Partial Veto (2SHB 2731), which directed expansion of the program and created a statutory entitlement beginning in the 2018-19 school year.

Home Visiting services provided through the Home Visiting Services Account (HVSA) are increased by \$1 million Near General Fund-State. Additionally, Chapter 165, Laws of 2013 (SB 5809) altered the account from partially appropriated to fully appropriated.

The Department of Early Learning is provided with Near General Fund-State to continue development of an Electronic Benefit Transfer (EBT) system and funding to begin implementation of the EBT system in the 2013-15 biennium.



# Special Appropriations

## Special Appropriations (Non-Compensation Related Items)

### **Lean Management**

Savings of \$30 million General Fund-State are achieved by implementing lean management practices. The Office of Financial Management (OFM) will develop a strategic lean management action plan to drive efficiencies in state spending and increase productivity of state employees while improving and increasing state services for taxpayers. OFM will also develop a lean practitioner fellowship program to train state agency staff.

### **Local Public Safety Enhancement Account**

Savings of \$10 million General Fund-State are achieved by suspending the transfer to the Local Public Safety Enhancement Account under RCW 41.26.802, which requires a transfer of \$10 million from the state general fund if the prior biennium's general state revenues exceed the previous biennium's revenues by more than five percent.

### **Central Service Efficiencies**

Through the continued work of central service agencies to reduce both rates and expenditure authority, funding is reduced by \$5 million General Fund-State for both information technology services and consolidated central services to state agencies for a total of \$10 million General Fund-State. State agencies will work with OFM and central service agencies to realize savings in procurement, maintenance, operations, and delivery of information technology and central services.

### **Debt Service**

Funding of \$36.4 million General Fund-State is provided to pay for debt service on new debt incurred for projects funded in the 2013-15 Capital Budget.

### **Impaired Driving**

Funding is appropriated by Chapter 35, Laws of 2013, 2nd sp.s. (E2SSB 5912) for a variety of policies and programs to reduce impaired driving. For the 2013-15 biennium, \$2.5 million General Fund-State and \$1.5 million in federal funds are provided to the Washington State Traffic Safety Commission, the Department of Social and Health Services, and the Department of Corrections. An additional \$2.5 million General Fund-State is provided in special appropriations for grants to fund additional deputy prosecuting attorney positions focused on rush filing charges against repeat driving under the influence offenders.

## Special Appropriations (Compensation Related Items)

### **Employee Compensation**

Individual agency appropriations contain funding for compensation increases provided in collective bargaining agreements that are explicitly approved in the budget, including both those negotiated with state employee representatives in general government agencies and higher education institutions, and those negotiated with non-state employee groups including the individual home-care providers, family child care providers, and language access providers. Also contained in individual agency appropriations are funds to restore the one-time three percent salary reductions included in the 2011-13 biennium budget and for an additional longevity step increase for classified employees who have been at their top step for at least six years. The new top step was first added to the salary schedule for classified employees as part of several 2011-13 collective bargaining agreements, to be effective as of July 2013.

Individual agency appropriations also include three changes related to employee health insurance. First, due to updated claim experience and costs, funding for state employee health insurance is reduced from \$800 per month per employee to \$782 per month in the first fiscal year and \$791 per month in the second fiscal year. Second, employer contributions for health insurance are reduced to reflect a \$25 per month surcharge for Public

Employees' Benefits Board (PEBB) members who use tobacco products. Third, employer contributions for health insurance are reduced to reflect expected savings from implementing a \$50 surcharge beginning for (PEBB) subscribers who have Employee plus Spouse coverage or Family coverage where the subscriber's covered spouse or partner has waived an opportunity to enroll in employer coverage (when that waived coverage meets certain criteria).

The surcharges for tobacco use and for spouses and domestic partners that waive certain employer coverage are effective July 1, 2014, and reduce the necessary funding rate in the second fiscal year by \$28 per month (to \$763 per employee, per month).

# Washington State Omnibus Operating Budget

## 2013 Supplemental Budget

### TOTAL STATE

(Dollars in Thousands)

	NGF-S + Opportunity Pathways			Total All Funds		
	2011-13	2013 Supp	Rev 2011-13	2011-13	2013 Supp	Rev 2011-13
Legislative	139,294	0	139,294	146,551	0	146,551
Judicial	222,202	845	223,047	281,381	316	281,697
Governmental Operations	453,876	-12,245	441,631	3,697,364	-10,772	3,686,592
Other Human Services	5,912,932	80,560	5,993,492	14,505,577	138,961	14,644,538
DSHS	5,481,543	-67,826	5,413,717	11,071,210	-77,865	10,993,345
Natural Resources	266,777	34,790	301,567	1,505,305	27,313	1,532,618
Transportation	70,160	9,624	79,784	170,099	9,624	179,723
Public Schools	13,647,198	-49,146	13,598,052	15,620,392	55,280	15,675,672
Higher Education	2,734,640	0	2,734,640	11,095,338	-88	11,095,250
Other Education	161,563	-416	161,147	526,051	-274	525,777
Special Appropriations	2,162,876	222,925	2,385,801	2,337,551	221,740	2,559,291
<b>Total Budget Bill</b>	<b>31,253,061</b>	<b>219,111</b>	<b>31,472,172</b>	<b>60,956,819</b>	<b>364,235</b>	<b>61,321,054</b>
Other Legislation	-3,850	2,350	-1,500	-3,846	2,350	-1,496
<b>Statewide Total</b>	<b>31,249,211</b>	<b>221,461</b>	<b>31,470,672</b>	<b>60,952,973</b>	<b>366,585</b>	<b>61,319,558</b>

# Washington State Omnibus Operating Budget

## 2013 Supplemental Budget

### LEGISLATIVE AND JUDICIAL

(Dollars in Thousands)

	NGF-S + Opportunity Pathways			Total All Funds		
	2011-13	2013 Supp	Rev 2011-13	2011-13	2013 Supp	Rev 2011-13
House of Representatives	57,939	0	57,939	59,430	0	59,430
Senate	43,246	0	43,246	44,667	0	44,667
Jt Leg Audit & Review Committee	5,120	0	5,120	5,290	0	5,290
LEAP Committee	3,745	0	3,745	3,745	0	3,745
Office of the State Actuary	0	0	0	3,323	0	3,323
Office of Legislative Support Svcs	3,016	0	3,016	3,016	0	3,016
Joint Legislative Systems Comm	15,679	0	15,679	15,679	0	15,679
Statute Law Committee	8,768	0	8,768	9,620	0	9,620
Redistricting Commission	1,781	0	1,781	1,781	0	1,781
<b>Total Legislative</b>	<b>139,294</b>	<b>0</b>	<b>139,294</b>	<b>146,551</b>	<b>0</b>	<b>146,551</b>
Supreme Court	13,318	42	13,360	13,318	42	13,360
State Law Library	1,504	24	1,528	3,004	24	3,028
Court of Appeals	30,443	85	30,528	30,443	85	30,528
Commission on Judicial Conduct	2,028	0	2,028	2,028	0	2,028
Administrative Office of the Courts	99,154	694	99,848	150,392	165	150,557
Office of Public Defense	54,163	0	54,163	58,531	0	58,531
Office of Civil Legal Aid	21,592	0	21,592	23,665	0	23,665
<b>Total Judicial</b>	<b>222,202</b>	<b>845</b>	<b>223,047</b>	<b>281,381</b>	<b>316</b>	<b>281,697</b>
<b>Total Legislative/Judicial</b>	<b>361,496</b>	<b>845</b>	<b>362,341</b>	<b>427,932</b>	<b>316</b>	<b>428,248</b>

# Washington State Omnibus Operating Budget

## 2013 Supplemental Budget

### GOVERNMENTAL OPERATIONS

(Dollars in Thousands)

	NGF-S + Opportunity Pathways			Total All Funds		
	2011-13	2013 Supp	Rev 2011-13	2011-13	2013 Supp	Rev 2011-13
Office of the Governor	10,349	12	10,361	11,849	12	11,861
Office of the Lieutenant Governor	1,301	0	1,301	1,396	0	1,396
Public Disclosure Commission	3,957	0	3,957	3,957	0	3,957
Office of the Secretary of State	24,659	1,360	26,019	83,600	1,471	85,071
Governor's Office of Indian Affairs	517	0	517	517	0	517
Asian-Pacific-American Affrs	446	0	446	446	0	446
Office of the State Treasurer	0	0	0	15,144	0	15,144
Office of the State Auditor	0	0	0	72,887	0	72,887
Comm Salaries for Elected Officials	327	0	327	327	0	327
Office of the Attorney General	12,448	200	12,648	228,713	137	228,850
Caseload Forecast Council	2,457	0	2,457	2,457	0	2,457
Dept of Financial Institutions	0	0	0	46,190	0	46,190
Department of Commerce	124,638	-14,000	110,638	567,357	-16,012	551,345
Economic & Revenue Forecast Council	1,437	0	1,437	1,487	0	1,487
Office of Financial Management	36,930	117	37,047	116,696	4,117	120,813
Office of Administrative Hearings	0	0	0	35,763	700	36,463
State Lottery Commission	0	0	0	801,712	0	801,712
Washington State Gambling Comm	0	0	0	31,975	0	31,975
WA State Comm on Hispanic Affairs	488	0	488	488	0	488
African-American Affairs Comm	469	0	469	469	0	469
Department of Retirement Systems	0	0	0	52,078	80	52,158
State Investment Board	0	0	0	29,075	0	29,075
Innovate Washington	5,634	0	5,634	9,448	-937	8,511
Department of Revenue	199,898	0	199,898	231,531	0	231,531
Board of Tax Appeals	2,339	0	2,339	2,339	0	2,339
Minority & Women's Business Enterp	0	0	0	3,654	100	3,754
Office of Insurance Commissioner	650	0	650	53,087	0	53,087
Consolidated Technology Services	0	0	0	208,054	0	208,054
State Board of Accountancy	0	0	0	2,642	0	2,642
Forensic Investigations Council	0	0	0	490	0	490
Dept of Enterprise Services	6,710	0	6,710	479,676	-545	479,131
Washington Horse Racing Commission	0	0	0	6,744	0	6,744
WA State Liquor Control Board	0	0	0	192,113	0	192,113
Utilities and Transportation Comm	0	0	0	48,567	0	48,567
Board for Volunteer Firefighters	0	0	0	1,039	0	1,039
Military Department	13,988	66	14,054	338,948	105	339,053
Public Employment Relations Comm	4,234	0	4,234	7,800	0	7,800
LEOFF 2 Retirement Board	0	0	0	2,044	0	2,044
Archaeology & Historic Preservation	0	0	0	4,605	0	4,605
<b>Total Governmental Operations</b>	<b>453,876</b>	<b>-12,245</b>	<b>441,631</b>	<b>3,697,364</b>	<b>-10,772</b>	<b>3,686,592</b>

# Washington State Omnibus Operating Budget

## 2013 Supplemental Budget

### HUMAN SERVICES

(Dollars in Thousands)

	NGF-S + Opportunity Pathways			Total All Funds		
	2011-13	2013 Supp	Rev 2011-13	2011-13	2013 Supp	Rev 2011-13
WA State Health Care Authority	4,065,446	76,538	4,141,984	10,207,240	110,361	10,317,601
Human Rights Commission	3,947	0	3,947	5,840	0	5,840
Bd of Industrial Insurance Appeals	0	0	0	39,209	0	39,209
Criminal Justice Training Comm	28,736	357	29,093	42,445	249	42,694
Department of Labor and Industries	35,312	0	35,312	632,608	0	632,608
Department of Health	157,518	-525	156,993	1,104,918	13,598	1,118,516
Department of Veterans' Affairs	15,339	0	15,339	116,790	3,370	120,160
Department of Corrections	1,602,344	4,190	1,606,534	1,625,935	3,288	1,629,223
Dept of Services for the Blind	4,290	0	4,290	25,466	575	26,041
Employment Security Department	0	0	0	705,126	7,520	712,646
<b>Total Other Human Services</b>	<b>5,912,932</b>	<b>80,560</b>	<b>5,993,492</b>	<b>14,505,577</b>	<b>138,961</b>	<b>14,644,538</b>

# Washington State Omnibus Operating Budget

## 2013 Supplemental Budget

### DEPARTMENT OF SOCIAL & HEALTH SERVICES

(Dollars in Thousands)

	NGF-S + Opportunity Pathways			Total All Funds		
	2011-13	2013 Supp	Rev 2011-13	2011-13	2013 Supp	Rev 2011-13
Children and Family Services	572,757	-7,619	565,138	1,065,407	-9,346	1,056,061
Juvenile Rehabilitation	170,981	288	171,269	179,690	288	179,978
Mental Health	880,826	3,286	884,112	1,587,031	-2,439	1,584,592
Developmental Disabilities	992,616	-9,658	982,958	1,932,377	-18,309	1,914,068
Long-Term Care	1,600,831	-9,157	1,591,674	3,410,729	-15,030	3,395,699
Economic Services Administration	854,036	-51,797	802,239	2,059,044	-48,962	2,010,082
Alcohol & Substance Abuse	144,960	-199	144,761	365,043	6,141	371,184
Vocational Rehabilitation	21,255	-48	21,207	129,081	-186	128,895
Administration/Support Svcs	50,543	1,827	52,370	97,021	4,367	101,388
Special Commitment Center	84,295	1,970	86,265	84,295	1,970	86,265
Payments to Other Agencies	108,443	3,281	111,724	161,492	3,641	165,133
<b>Total DSHS</b>	<b>5,481,543</b>	<b>-67,826</b>	<b>5,413,717</b>	<b>11,071,210</b>	<b>-77,865</b>	<b>10,993,345</b>
<b>Total Human Services</b>	<b>11,394,475</b>	<b>12,734</b>	<b>11,407,209</b>	<b>25,576,787</b>	<b>61,096</b>	<b>25,637,883</b>

# Washington State Omnibus Operating Budget

## 2013 Supplemental Budget

### NATURAL RESOURCES

(Dollars in Thousands)

	NGF-S + Opportunity Pathways			Total All Funds		
	2011-13	2013 Supp	Rev 2011-13	2011-13	2013 Supp	Rev 2011-13
Columbia River Gorge Commission	805	0	805	1,611	0	1,611
Department of Ecology	70,624	0	70,624	441,043	0	441,043
WA Pollution Liab Insurance Program	0	0	0	1,613	0	1,613
State Parks and Recreation Comm	17,334	0	17,334	142,352	275	142,627
Rec and Conservation Funding Board	1,721	0	1,721	9,315	0	9,315
Environ & Land Use Hearings Office	4,173	0	4,173	4,173	0	4,173
State Conservation Commission	13,209	0	13,209	14,510	0	14,510
Dept of Fish and Wildlife	57,716	2,799	60,515	362,094	-2,246	359,848
Puget Sound Partnership	4,526	0	4,526	18,130	0	18,130
Department of Natural Resources	66,698	31,991	98,689	365,422	29,284	394,706
Department of Agriculture	29,971	0	29,971	145,042	0	145,042
<b>Total Natural Resources</b>	<b>266,777</b>	<b>34,790</b>	<b>301,567</b>	<b>1,505,305</b>	<b>27,313</b>	<b>1,532,618</b>



# Washington State Omnibus Operating Budget

## 2013 Supplemental Budget

### TRANSPORTATION

(Dollars in Thousands)

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	NGF-S + Opportunity Pathways			Total All Funds		
	<u>2011-13</u>	<u>2013 Supp</u>	<u>Rev 2011-13</u>	<u>2011-13</u>	<u>2013 Supp</u>	<u>Rev 2011-13</u>
Washington State Patrol	67,718	9,624	77,342	129,561	9,624	139,185
Department of Licensing	2,442	0	2,442	40,538	0	40,538
<b>Total Transportation</b>	<b>70,160</b>	<b>9,624</b>	<b>79,784</b>	<b>170,099</b>	<b>9,624</b>	<b>179,723</b>

# Washington State Omnibus Operating Budget

## 2013 Supplemental Budget

### PUBLIC SCHOOLS

(Dollars in Thousands)

	NGF-S + Opportunity Pathways			Total All Funds		
	2011-13	2013 Supp	Rev 2011-13	2011-13	2013 Supp	Rev 2011-13
OSPI & Statewide Programs	52,455	250	52,705	138,036	6,076	144,112
General Apportionment	10,412,087	-32,235	10,379,852	10,434,414	-32,235	10,402,179
Pupil Transportation	595,885	251	596,136	595,885	251	596,136
School Food Services	14,222	0	14,222	595,634	69,600	665,234
Special Education	1,328,957	-19,919	1,309,038	1,815,879	-6,919	1,808,960
Educational Service Districts	15,806	-16	15,790	15,806	-16	15,790
Levy Equalization	598,934	1,371	600,305	603,334	1,371	604,705
Elementary/Secondary School Improv	0	0	0	6,152	0	6,152
Institutional Education	32,561	-1,320	31,241	32,561	-1,320	31,241
Ed of Highly Capable Students	17,533	369	17,902	17,533	369	17,902
Education Reform	163,129	0	163,129	386,319	2,000	388,319
Transitional Bilingual Instruction	160,241	3,435	163,676	231,242	3,435	234,677
Learning Assistance Program (LAP)	255,388	-1,332	254,056	747,595	12,668	760,263
Compensation Adjustments	0	0	0	2	0	2
<b>Total Public Schools</b>	<b>13,647,198</b>	<b>-49,146</b>	<b>13,598,052</b>	<b>15,620,392</b>	<b>55,280</b>	<b>15,675,672</b>

**Washington State Omnibus Operating Budget**  
**2013 Supplemental Budget**  
**EDUCATION**

(Dollars in Thousands)

	NGF-S + Opportunity Pathways			Total All Funds		
	2011-13	2013 Supp	Rev 2011-13	2011-13	2013 Supp	Rev 2011-13
Student Achievement Council	325,468	0	325,468	345,430	12	345,442
Higher Education Coordinating Board	292,480	0	292,480	310,738	0	310,738
University of Washington	421,417	0	421,417	5,817,247	-100	5,817,147
Washington State University	301,211	0	301,211	1,229,991	0	1,229,991
Eastern Washington University	68,085	0	68,085	248,399	0	248,399
Central Washington University	65,058	0	65,058	300,240	0	300,240
The Evergreen State College	36,248	0	36,248	108,506	0	108,506
Western Washington University	79,715	0	79,715	335,753	0	335,753
Community/Technical College System	1,144,958	0	1,144,958	2,399,034	0	2,399,034
<b>Total Higher Education</b>	<b>2,734,640</b>	<b>0</b>	<b>2,734,640</b>	<b>11,095,338</b>	<b>-88</b>	<b>11,095,250</b>
State School for the Blind	11,447	20	11,467	13,400	20	13,420
Childhood Deafness & Hearing Loss	16,774	96	16,870	17,300	96	17,396
Workforce Trng & Educ Coord Board	2,655	0	2,655	65,891	0	65,891
Department of Early Learning	130,687	-532	130,155	411,985	-390	411,595
Washington State Arts Commission	0	0	0	5,307	0	5,307
Washington State Historical Society	0	0	0	6,086	0	6,086
East Wash State Historical Society	0	0	0	6,082	0	6,082
<b>Total Other Education</b>	<b>161,563</b>	<b>-416</b>	<b>161,147</b>	<b>526,051</b>	<b>-274</b>	<b>525,777</b>
<b>Total Education</b>	<b>16,543,401</b>	<b>-49,562</b>	<b>16,493,839</b>	<b>27,241,781</b>	<b>54,918</b>	<b>27,296,699</b>

# Washington State Omnibus Operating Budget

## 2013 Supplemental Budget

### SPECIAL APPROPRIATIONS

(Dollars in Thousands)

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	NGF-S + Opportunity Pathways			Total All Funds		
	2011-13	2013 Supp	Rev 2011-13	2011-13	2013 Supp	Rev 2011-13
Bond Retirement and Interest	1,921,678	221,875	2,143,553	2,076,825	220,690	2,297,515
Special Approps to the Governor	111,444	728	112,172	130,972	728	131,700
Sundry Claims	278	322	600	278	322	600
Contributions to Retirement Systems	129,476	0	129,476	129,476	0	129,476
<b>Total Budget Bill</b>	<b>2,162,876</b>	<b>222,925</b>	<b>2,385,801</b>	<b>2,337,551</b>	<b>221,740</b>	<b>2,559,291</b>
Other Legislation	-3,850	2,350	-1,500	-3,846	2,350	-1,496
<b>Total Special Appropriations</b>	<b>2,159,026</b>	<b>225,275</b>	<b>2,384,301</b>	<b>2,333,705</b>	<b>224,090</b>	<b>2,557,795</b>

# 2013-15 Washington State Transportation Budget

## Agency Summary

### TOTAL OPERATING AND CAPITAL BUDGET

#### Total Appropriated Funds

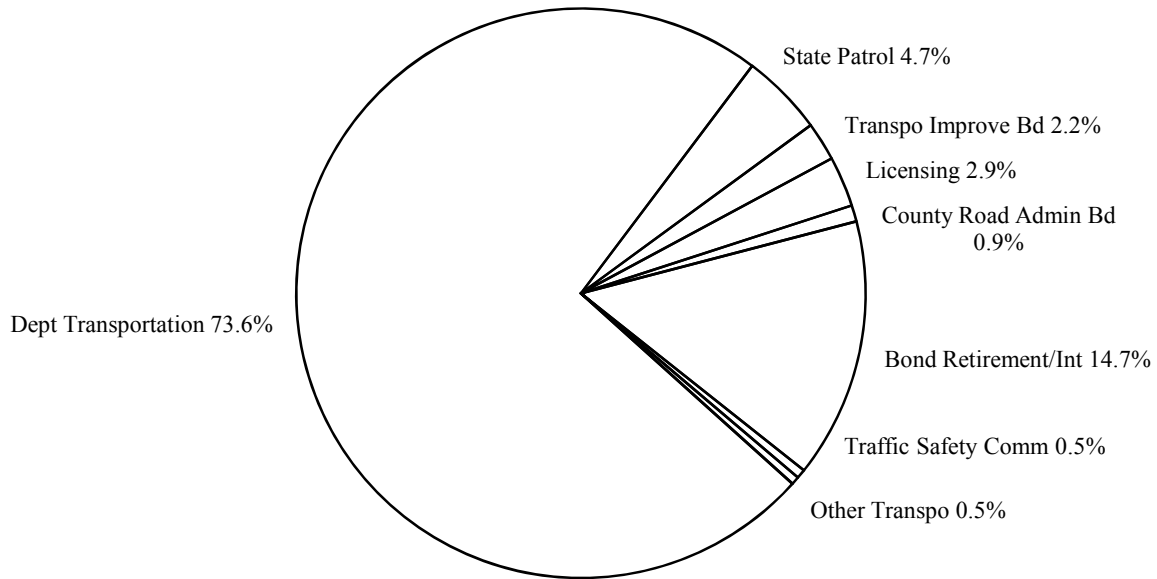
(Dollars in Thousands)

	<u>Enacted</u>
<b>Department of Transportation</b>	<b>6,413,152</b>
Pgm B - Toll Op & Maint-Op	62,688
Pgm C - Information Technology	72,056
Pgm D - Facilities-Operating	26,251
Pgm D - Facilities-Capital	21,531
Pgm F - Aviation	9,511
Pgm H - Pgm Delivery Mgmt & Suppt	48,357
Pgm I - Hwy Const/Improvements	3,478,146
Pgm K - Public/Private Part-Op	570
Pgm M - Highway Maintenance	407,040
Pgm P - Hwy Const/Preservation	698,600
Pgm Q - Traffic Operations	52,804
Pgm Q - Traffic Operations - Cap	11,153
Pgm S - Transportation Management	28,284
Pgm T - Transpo Plan, Data & Resch	48,565
Pgm U - Charges from Other Agys	82,068
Pgm V - Public Transportation	109,737
Pgm W - WA State Ferries-Cap	291,348
Pgm X - WA State Ferries-Op	485,197
Pgm Y - Rail - Op	32,924
Pgm Y - Rail - Cap	376,480
Pgm Z - Local Programs-Operating	11,304
Pgm Z - Local Programs-Capital	58,538
Washington State Patrol	407,283
Department of Licensing	249,235
Joint Transportation Committee	1,330
Jt Leg Audit & Review Committee	493
LEAP Committee	529
Office of Financial Management	1,817
Dept of Enterprise Services	502
Utilities and Transportation Comm	504
WA Traffic Safety Commission	45,566
Archaeology & Historic Preservation	435
County Road Administration Board	81,187
Transportation Improvement Board	191,529
Transportation Commission	3,059
Freight Mobility Strategic Invest	29,538
State Parks and Recreation Comm	986
Dept of Fish and Wildlife	295
Department of Agriculture	1,208
<b>Total Appropriation</b>	<b>7,428,648</b>
Bond Retirement and Interest	1,284,165
<b>Total</b>	<b>8,712,813</b>

**2013-15 Transportation Budget**  
**Chapter 306, Laws of 2013, Partial Veto (ESSB 5024)**  
**Total Appropriated Funds**

(Dollars in Thousands)

**MAJOR COMPONENTS BY AGENCY**  
**Total Operating and Capital Budget**



<b>Major Transportation Agencies</b>	
Department of Transportation	6,413,152
Washington State Patrol	407,283
Transportation Improvement Board	191,529
Department of Licensing	249,235
County Road Administration Board	81,187
Bond Retirement and Interest	1,284,165
Washington Traffic Safety Commission	45,566
Other Transportation	40,696
<b>Total</b>	<b>8,712,813</b>

## Summary of 2013-15 Biennium and 2013 Supplemental Transportation Budgets

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### **Overview:**

Reflecting the expected near-term completion of the 2003 Nickel and 2005 Transportation Partnership Act construction programs and the near-zero growth of the fuel tax revenue stream, the 2013-15 biennium and the 2013 supplemental transportation budgets continue existing budgetary activities and policies and do not generally include spending on new transportation projects or policy initiatives.

### **Revenue:**

The March 2013 transportation revenue forecast estimated an overall increase of \$393 million in state transportation funds over the 10-year forecast period when compared to the February 2012 forecast. Most of the increase was attributable to fee increases enacted in 2012 that resulted from a continuation of legislative transportation policy enacted in 2002 under RCW 46.01.360. This statute directs the Department of Licensing (DOL) to regularly submit collection and administration cost recovery fee studies to the Legislature and for the Legislature to adjust fees accordingly.

Under the new federal transportation funding authorization, Moving Ahead for Progress in the 21st Century (MAP-21), statewide federal-aid highway program obligation authority is estimated at \$653 million in federal fiscal year (FFY) 13 and \$659 million in FFY 14. Of this amount, 66 percent will be retained at the state level and used primarily to fund improvements to and preservation of the existing highway network.

### **Expenditures:**

In closing out the 2011-13 biennium, adjustments to cost estimates and changes in project timing resulted in a reduction of total appropriations for the budget period from \$9.9 billion to \$8.3 billion. Subsequent vetoes restored nearly \$500 million of that reduction resulting in a final, enacted total appropriation of \$8.8 billion for the 2011-13 biennium.

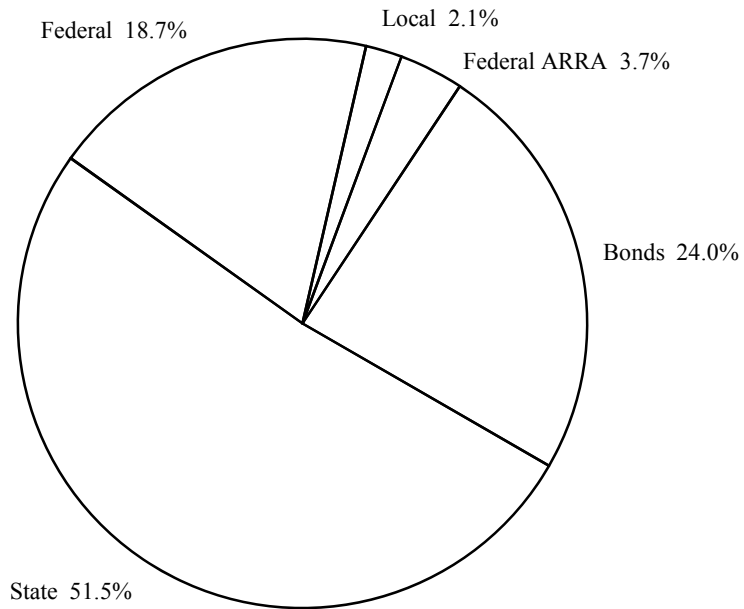
Inclusion of pre-veto capital program re-appropriations from the 2011-13 biennium in the new 2013-15 budget period allowed the Legislature to provide total appropriations of \$8.7 billion in the 2013-15 budget period, of which \$5.2 billion is allocated to capital construction spending and \$3.5 billion is provided for operating expenditures (including \$1.3 billion in debt service on existing and planned bond debt).

2013-15 spending levels also included increased appropriations consistent with the 3-year additive spending plan developed during the 2012 session (see 2012 LEAP Transportation Document 2012-4, Legislative Expenditure Plan for Additive Transportation Revenues as Developed March 8, 2012).

**2013-15 Transportation Budget**  
**Chapter 306, Laws of 2013, Partial Veto (ESSB 5024)**  
**Total Appropriated Funds**

(Dollars in Thousands)

**COMPONENTS BY FUND TYPE**  
**Total Operating and Capital Budget**



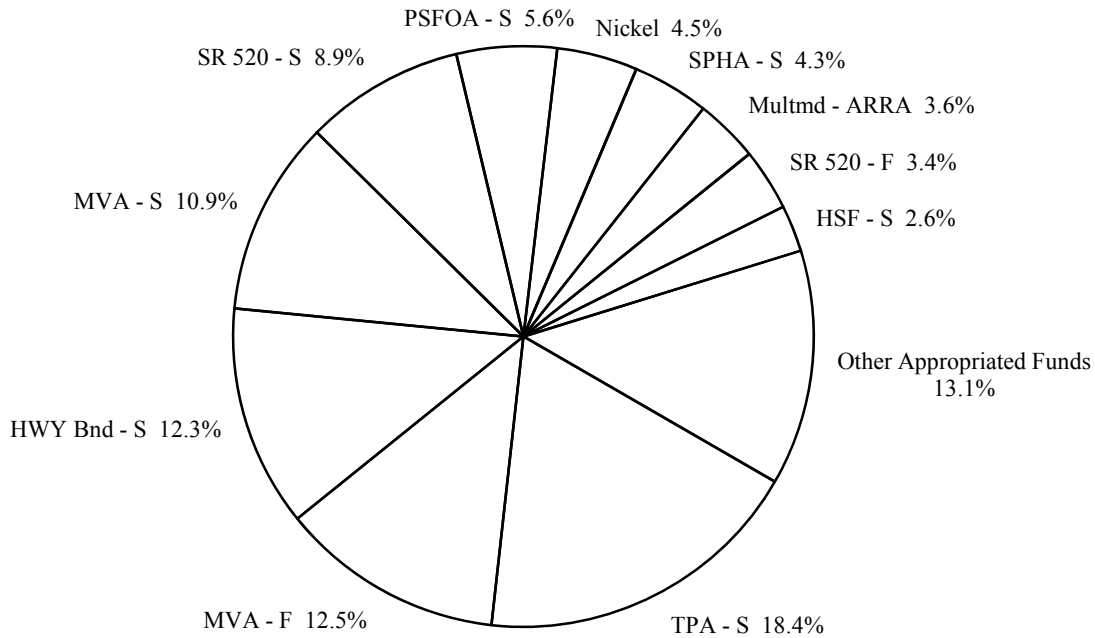
<b>Fund Type</b>	
State	4,489,021
Federal	1,632,853
Local	179,410
Federal ARRA	319,443
Bonds	2,092,086
<b>Total</b>	<b>8,712,813</b>



**2013-15 Transportation Budget**  
**Chapter 306, Laws of 2013, Partial Veto (ESSB 5024)**  
**Total Appropriated Funds**

(Dollars in Thousands)

**MAJOR COMPONENTS BY FUND SOURCE AND TYPE**  
**Total Operating and Capital Budget**



<b>Major Fund Source</b>	
Transportation Partnership Account - State (TPA - S)	1,604,839
Motor Vehicle Account - Federal (MVA - F)	1,085,689
Highway Bond Retirement Account - State (HWY Bnd - S)	1,074,580
Motor Vehicle Account - State (MVA - S)	945,789
SR 520 Corridor Account - State (SR 520 - S)	773,901
Puget Sound Ferry Operations Acct - State (PSFOA - S)	485,502
Transportation 2003 Acct (Nickel) - State (Nickel - S)	392,115
State Patrol Highway Account - State (SPHA - S)	372,280
Multimodal Transportation Account - ARRA (Multmd - ARRA)	309,460
SR 520 Corridor Account - Federal (SR 520 - F)	300,000
Highway Safety Account - State (HSF - S)	226,501
Other Appropriated Funds	<u>1,142,157</u>
<b>Total</b>	<b>8,712,813</b>

## 2013-15 Washington State Transportation Budget

### Fund Summary

#### TOTAL OPERATING AND CAPITAL BUDGET

(Dollars in Thousands)

	MVF State *	P.S. Ferry Op Acct State	Nickel Acct State *	WSP Hwy Acct State	Transpo Partner State *	Multimod Acct State	Other Approp *	Total Approp
<b>Department of Transportation</b>	<b>854,954</b>	<b>485,326</b>	<b>389,939</b>	<b>0</b>	<b>1,593,277</b>	<b>123,872</b>	<b>2,965,784</b>	<b>6,413,152</b>
Pgm B - Toll Op & Maint-Op	509	250	0	0	0	0	61,929	62,688
Pgm C - Information Technology	68,773	0	1,460	0	1,460	363	0	72,056
Pgm D - Facilities-Operating	26,251	0	0	0	0	0	0	26,251
Pgm D - Facilities-Capital	8,106	0	0	0	13,425	0	0	21,531
Pgm F - Aviation	0	0	0	0	0	0	9,511	9,511
Pgm H - Pgm Delivery Mgmt & Suppt	47,607	0	0	0	0	250	500	48,357
Pgm I - Hwy Const/Improvements	61,508	0	242,253	0	1,534,698	1,000	1,638,687	3,478,146
Pgm K - Public/Private Part-Op	570	0	0	0	0	0	0	570
Pgm M - Highway Maintenance	390,040	0	0	0	0	0	17,000	407,040
Pgm P - Hwy Const/Preservation	58,503	0	2,285	0	36,480	0	601,332	698,600
Pgm Q - Traffic Operations	50,504	0	0	0	0	0	2,300	52,804
Pgm Q - Traffic Operations - Cap	3,194	0	0	0	0	0	7,959	11,153
Pgm S - Transportation Management	27,281	0	0	0	0	973	30	28,284
Pgm T - Transpo Plan, Data & Resch	20,109	0	0	0	0	662	27,794	48,565
Pgm U - Charges from Other Agys	81,628	0	0	0	0	40	400	82,068
Pgm V - Public Transportation	0	0	0	0	0	39,057	70,680	109,737
Pgm W - WA State Ferries-Cap	0	0	143,941	0	0	1,534	145,873	291,348
Pgm X - WA State Ferries-Op	0	485,076	0	0	0	0	121	485,197
Pgm Y - Rail - Op	0	0	0	0	0	32,924	0	32,924
Pgm Y - Rail - Cap	0	0	0	0	0	33,156	343,324	376,480
Pgm Z - Local Programs-Operating	8,737	0	0	0	0	0	2,567	11,304
Pgm Z - Local Programs-Capital	1,634	0	0	0	7,214	13,913	35,777	58,538
Washington State Patrol	0	0	0	372,280	0	273	34,730	407,283
Department of Licensing	76,089	0	0	0	0	0	173,146	249,235
Joint Transportation Committee	1,330	0	0	0	0	0	0	1,330
Jt Leg Audit & Review Committee	493	0	0	0	0	0	0	493
LEAP Committee	529	0	0	0	0	0	0	529
Office of Financial Management	1,641	176	0	0	0	0	0	1,817
Dept of Enterprise Services	502	0	0	0	0	0	0	502
Utilities and Transportation Comm	0	0	0	0	0	0	504	504
WA Traffic Safety Commission	0	0	0	0	0	0	45,566	45,566
Archaeology & Historic Preservation	435	0	0	0	0	0	0	435
County Road Administration Board	2,892	0	0	0	0	0	78,295	81,187
Transportation Improvement Board	0	0	0	0	0	0	191,529	191,529
Transportation Commission	2,947	0	0	0	0	112	0	3,059
Freight Mobility Strategic Invest	988	0	0	0	0	0	28,550	29,538
State Parks and Recreation Comm	986	0	0	0	0	0	0	986
Dept of Fish and Wildlife	295	0	0	0	0	0	0	295
Department of Agriculture	1,208	0	0	0	0	0	0	1,208
<b>Total Appropriation</b>	<b>945,289</b>	<b>485,502</b>	<b>389,939</b>	<b>372,280</b>	<b>1,593,277</b>	<b>124,257</b>	<b>3,518,104</b>	<b>7,428,648</b>
Bond Retirement and Interest	500	0	2,176	0	11,562	0	1,269,927	1,284,165
<b>Total</b>	<b>945,789</b>	<b>485,502</b>	<b>392,115</b>	<b>372,280</b>	<b>1,604,839</b>	<b>124,257</b>	<b>4,788,031</b>	<b>8,712,813</b>

\* Includes Bond amounts.

**2011-13 Washington State Transportation Budget**  
**TOTAL OPERATING AND CAPITAL BUDGET**  
**Total Appropriated Funds**  
(Dollars in Thousands)

	<b>2011-13 Approp Auth</b>	<b>2013 Supplemental</b>	<b>Revised 2011-13</b>
<b>Department of Transportation</b>	<b>7,802,830</b>	<b>-1,033,431</b>	<b>6,769,399</b>
Pgm B - Toll Op & Maint-Op	56,096	-945	55,151
Pgm C - Information Technology	70,681	-1,731	68,950
Pgm D - Facilities-Operating	25,466	-26	25,440
Pgm D - Facilities-Capital	7,120	0	7,120
Pgm F - Aviation	8,152	-3	8,149
Pgm H - Pgm Delivery Mgmt & Suppt	46,546	-71	46,475
Pgm I - Hwy Const/Improvements	4,832,515	-597,755	4,234,760
Pgm K - Public/Private Part-Op	937	-1	936
Pgm M - Highway Maintenance	384,209	2,550	386,759
Pgm P - Hwy Const/Preservation	691,877	-77,025	614,852
Pgm Q - Traffic Operations	51,118	-77	51,041
Pgm Q - Traffic Operations - Cap	16,062	-77	15,985
Pgm S - Transportation Management	28,392	-54	28,338
Pgm T - Transpo Plan, Data & Resch	48,510	-59	48,451
Pgm U - Charges from Other Agys	76,932	-3,204	73,728
Pgm V - Public Transportation	113,102	-10,620	102,482
Pgm W - WA State Ferries-Cap	414,194	-134,525	279,669
Pgm X - WA State Ferries-Op	475,135	-10,050	465,085
Pgm Y - Rail - Op	34,042	-3	34,039
Pgm Y - Rail - Cap	303,085	-153,557	149,528
Pgm Z - Local Programs-Operating	11,085	-13	11,072
Pgm Z - Local Programs-Capital	107,574	-46,185	61,389
Washington State Patrol	381,747	-5,754	375,993
Department of Licensing	244,355	-3,441	240,914
Joint Transportation Committee	2,028	0	2,028
LEAP Committee	494	0	494
Office of Financial Management	3,738	0	3,738
Dept of Enterprise Services	3,822	0	3,822
Utilities and Transportation Comm	504	0	504
WA Traffic Safety Commission	48,880	-8,011	40,869
Public Employment Relations Comm	75	0	75
Archaeology & Historic Preservation	416	0	416
County Road Administration Board	100,675	-1,065	99,610
Transportation Improvement Board	249,940	-24,407	225,533
Transportation Commission	3,140	-98	3,042
Freight Mobility Strategic Invest	781	24	805
State Parks and Recreation Comm	986	0	986
Department of Agriculture	1,185	0	1,185
<b>Total Appropriation</b>	<b>8,845,596</b>	<b>-1,076,183</b>	<b>7,769,413</b>
Bond Retirement and Interest	1,017,801	-13,681	1,004,120
<b>Total</b>	<b>9,863,397</b>	<b>-1,089,864</b>	<b>8,773,533</b>

## 2013-15 Capital Budget Highlights

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The 2013-15 Capital Budget was enacted as Chapter 19, Laws of 2013, 2nd sp.s, Partial Veto (ESSB 5035). Legislation authorizing the issuance of bonds to finance the bonded portion of the capital budget was enacted as Chapter 20, Laws of 2013, 2nd sp.s (ESSB 5036).

Appropriations in the capital budget totaled \$3.6 billion, including \$2.0 billion from new state general obligation bonds and \$1.6 billion from a variety of dedicated fees and taxes, federal funds, timber revenue, and the building fee portion of student tuition payments. Additionally, \$2.8 billion was reappropriated for uncompleted projects approved in prior biennia. State agencies are also authorized to enter into a variety of alternative financing contracts totaling \$147.1 million. The 2013 Supplemental Capital Budget authorized \$5.5 million in new bond appropriations.

Approximately \$374.5 million was redirected or transferred to the operating budget for the 2013-15 biennium. This includes \$354.5 million from the Public Works Assistance Account (PWAA), \$18 million from the Local Toxics Control Account, and \$2 million from the Energy Freedom Account.

For the 2013-15 biennium, all of the projected revenue from PWAA loan repayments, Real Estate Excise Tax (REET), and Public Utility Tax (PUT) are transferred in the operating budget or redirected in Chapter 9, Laws of 2013, 2nd sp.s (ESHB 2051) to the Education Legacy Trust Account (ELTA). For the 2015-17 and 2017-19 biennia, redirection of all but 2 percent of the REET and the entire PUT continues. Redirection of the Solid Waste Collection Tax from the PWAA to the state general fund and ELTA, which began in the 2011-13 biennium, also continues through 2019. Beginning with the 2019-21 biennium, revenues from all three taxes are to be deposited back into the PWAA.

### **Public School Construction**

A total of \$495 million is appropriated for K-12 School Construction Assistance Grants from the following sources: \$285 million from state general obligation bonds and \$210 million from the Common School Construction Account (CSCA). The CSCA receives revenue from timber sales, leases and other earnings from state trust lands, as well as the timber value of lands funded in the Trust Land Transfer Program, and \$1.5 in federal grants.

A total of \$38.5 million is appropriated for projects at the state's vocational skills centers and science, technology, engineering and math (STEM) schools including:

- \$11.9 million for the Spokane Area Professional-Technical Skills Center;
- \$11.6 million for the Pierce County Skills Center;
- \$7.2 million for Clark County Skills Center;
- \$5.4 million for Delta High School (STEM);
- \$1.5 million for Spokane Valley Tech; and
- \$1 million for San Juan Island School District STEM vocational building.

Funding in the amount of \$10 million is provided for school security improvement grants. Additionally, \$5 million is provided through the Office of Financial Management for urgent school facility repair and renovation grants to address unforeseen health and safety needs.

## Higher Education

The 2013-15 Capital Budget includes \$712 million in total appropriations and alternative financing authority for higher education facilities, including \$425 million in state general obligation bonds. Of the total spending authority, \$337 million is provided for the community and technical college system and \$375 million for four-year institutions. Funding is provided for a variety of major projects, including:

- \$50.6 million for the renovation of Denny Hall at the University of Washington (UW). Of this amount, \$20 million will be funded from bonds issued by the UW for which debt service will be paid from building fees and trust land revenue;
- \$50.3 million for the renovation of the Clean Technology building at Washington State University (WSU). Of this amount, \$20 million will be funded from bonds issued by WSU for which debt service will be paid from building fees and trust land revenue;
- \$10 million for establishment of the WSU Everett University Center;
- \$61.2 million for construction of the Science Building at Central Washington University;
- \$26.8 million for the Trades and Industry Building at Green River Community College;
- \$41.6 million for the Science and Math Building at Grays Harbor College;
- \$28.7 million for the Health Science Building at Bellevue Community College;
- \$23.8 million for the Mohler Communications Technology Center at Bates Technical College;
- \$33.8 million for the Health and Advanced Technologies Building at Clark College;
- \$15.5 million for the Seattle Maritime Academy at Seattle Central Community College; and
- \$19.2 million for the Palmer Martin Building at Yakima Valley Community College.

## Recreation, Conservation, Fish and Wildlife, and Habitat Protection

The Department of Natural Resources (DNR), Department of Ecology (DOE), Recreation and Conservation Office (RCO), Department of Fish and Wildlife (DFW), and State Parks and Recreation Commission (State Parks) received appropriations aimed at recreational, environmental protection, hatcheries, and conservation, including:

- \$99 million to DNR to acquire approximately 50,000 acres in the Teanaway River basin as the first Community Forest Trust. The Teanaway property acquisition is part of the Yakima River Basin Integrated Water Resource Management Plan and is specifically authorized in Chapter 11, Laws of 2013, 2nd sp.s. (2SSB 5367).
- \$65 million to RCO for Washington Wildlife and Recreation Program competitive grants to support habitat conservation, outdoor recreation, riparian protection, and farmland preservation projects statewide;
- \$80 million to RCO for Puget Sound acquisition/restoration and estuary/salmon restoration projects;
- \$15 million in state funds and \$60 million in federal expenditure authority to RCO for statewide and Puget Sound-focused recovery efforts for salmon and other species;
- Approximately \$30 million to RCO for grants for youth recreation, boating facilities, non-highway off-road vehicle activities, firearm and archery range facilities, and park, trail, and other outdoor recreational projects;
- \$6 million to RCO for 11 competitively-selected projects that acquire, restore or improve state-owned aquatic lands and adjacent lands for public purposes, including access and interpretation;
- \$56 million for the Trust Land Transfer Program within DNR to transfer common school trust lands with low income-producing potential but high recreational and environmental value to other public agencies for use as natural or wildlife areas, parks, recreation, or open space;
- Nearly \$10 million for DFW minor works projects such as culvert removal, road and bridge repair, fence replacement, pollution abatement ponds, and incubation area expansion;
- \$7.3 million for DFW to continue work on the Deschutes Watershed Center;
- \$3.5 million for DFW to remove shallow water legacy nets from high priority areas of Puget Sound. The high priority areas are those where high historical fishing pressure coincides with sea bed characteristics likely to snag nets; and
- \$51 million to State Parks for making capital improvements in state parks and trails.

## **Toxics Clean-Up and Prevention**

Hazardous substance tax revenues deposited into the Local and State Toxics Control Accounts, and into the newly-established Environmental Legacy Stewardship Account, are appropriated to several DOE programs, including:

- \$28.2 million to the Coordinated Prevention Grant Program for local government management of solid and hazardous wastes including waste reduction and recycling, disposal, and enforcement;
- \$62.5 million to the Remedial Action Grant Program for clean-up of contaminated industrial sites statewide that DOE has ranked in priority order on a "worst first" basis;
- \$31.5 million to clean-up toxic sites in the Puget Sound;
- \$10.3 million to clean-up contaminated sites in eastern Washington;
- \$4.0 million to reduce wood stove pollution in communities facing high public health risk from wood smoke; and
- \$4.5 million to reduce toxic diesel emissions in high risk, densely populated areas, especially at or near ports, and in non-port areas to reduce exposure to sensitive populations.

In addition, \$30.7 million in ASARCO settlement funds are provided for continued cleanup of specific sites related to the operation of the smelter plant in Tacoma and mines in northwest and eastern Washington.

## **Water Quality and Quantity**

Funding is provided for several programs to improve water quality and address water quantity problems statewide, including:

- \$300 million in state and federal funds for competitive grants and loans for projects that address the state's highest priority water quality needs through the Centennial Clean Water and the Water Pollution Control Revolving Fund programs;
- \$100 million for storm water construction or design/construction projects statewide that result in improvements necessary to meet National Pollution Discharge Elimination System requirements and reduce environmental damage from contaminated storm water;
- \$74.5 million to the Columbia River Basin Water Supply Development Program to pursue development of water supplies that benefit in-stream and out-of-stream uses;
- \$32.1 million to implement early action projects identified in the Yakima River Basin Integrated Water Resource Management Plan. Funded projects represent the following Plan elements: fish passage; operational modifications; surface storage; aquifer storage and recovery; water conservation; and market-driven water reallocation;
- \$2.05 million to develop projects and acquire water rights to enhance flows and to mitigate for rural development within the Dungeness river basin;
- \$50 million for flood plain management and control grants, including \$11.3 million for competitive flood hazard reduction project grants and \$33 million for nine specific floodplain restoration projects; and,
- \$28.2 million for flood control projects in the Chehalis river basin.

## **Private Forest and Agricultural Lands**

\$2 million in funding is provided for the Forest Riparian Easement Program and \$2 million is provided to the Family Forest Fish Passage Program to continue to assist family forest landowners with the financial and regulatory impacts of forest and fish legislation enacted in 1999. The funds will be used, respectively, to purchase 50-year conservation easements along riparian areas from family forest landowners and to repair or remove fish passage barriers on forest road crossings over streams.

\$15 million is provided to the State Conservation Commission and conservation districts to assist agricultural landowners with installation and maintenance of riparian buffers under the Conservation Reserve Enhancement Program and with projects in shellfish and non-shellfish growing areas that protect the environment and support the state's agricultural businesses.

## **Grants and Loans Benefitting Local Communities**

Funding is provided for local community projects through grant programs managed by the Department of Commerce, the Washington State Historical Society, the Department of Agriculture, and the Department of Archeology and Historic Preservation, including:

- Projects for Jobs and Economic Development (\$42 million);
- Projects that Strengthen Communities and Quality of Life (\$33 million);
- Projects that Strengthen Youth and Families (\$20 million);
- Building Communities Fund Program (\$5.3 million);
- Community Economic Revitalization Board (\$9 million);
- Youth Recreational Facilities (\$4.1 million);
- Building for the Arts (\$10.2 million);
- Washington Heritage Program (\$9.8 million);
- Health and Safety Projects at County Fairs (\$1 million);
- Historic Courthouse Preservation (\$2 million); and
- Heritage Barn Preservation (\$500,000).

Nearly \$240 million is provided for Department of Commerce, in cooperation with the Department of Health and the Public Works Board, to provide low-interest loans to publicly and privately-owned water systems statewide for planning, designing, financing, and constructing improvements aimed at increasing public health protection and compliance with drinking water regulations. In addition, \$158 million is provided for the anticipated drawdown of funds associated with previously authorized Public Works Board projects.

## **Low-Income Housing Assistance and Weatherization**

\$90 million is provided for loans and grants for affordable housing and weatherization projects, including:

- \$51.5 million for the Housing Trust Fund Program to construct, acquire, and rehabilitate low-income housing to serve homeless veterans, people with developmental disabilities, persons with chronic mental illness, and farmworkers;
- \$14 million to convert Sand Point Building 9 to affordable housing;
- \$4.5 million to preserve existing low-income housing in four communities;
- \$20 million for weatherization projects. \$10 million is for weatherization of homes occupied by low-income families through the Energy Matchmakers Program administered by the Department of Commerce and \$10 million is for the Community Energy Efficiency Program (CEEP) administered by the Washington State University Extension Energy Program.

## **Clean Energy and Energy Efficiency**

\$72 million is provided to support development of clean and renewable energy technologies and improve energy efficiency in the state, including:

- \$40 million for grants and loans to advance renewable energy and energy efficiency technologies;
- \$25 million for competitive energy efficiency grants for projects in local governments, state agencies, and public colleges and universities that result in energy and operational cost savings. At least 10 percent of each competitive grant round must be awarded to small cities or towns with 5,000 or fewer residents; and
- \$7 million for energy efficiency improvements in K-12 public schools. School districts may apply to the Office of the Superintendent of Public Instruction for energy efficiency project grants that lead to energy and operational cost savings.

**General Government**

A new Pierce County Readiness Center is funded for a total of \$33.6 million, including \$3.6 million in state funds. The new center will be located on state trust land and will replace the aging building in Tacoma.

A new office building is funded to replace the 1063 block at the edge of the Capitol Campus. Total funding is \$82 million with \$13 million in general obligation bonds. The construction will be done using a design build method to reach low operating costs.



## 2013-15 Capital Budget

(Dollars In Thousands)

NEW APPROPRIATIONS	State Bonds	Total Funds
<b>Governmental Operations</b>		
<b><i>Joint Legislative Audit &amp; Review Committee</i></b>		
Review of Public Lands	320	320
<b><i>Office of the Secretary of State</i></b>		
Archives Facilities Mechanical Systems Chiller Replacement	128	128
<b><i>Department of Commerce</i></b>		
Clean Energy and Energy Freedom Program	36,000	40,000
Housing for Farmworkers	27,050	27,050
Housing for Homeless Veterans	9,367	9,367
Housing for People with Chronic Mental Illness	6,064	6,064
Housing for People with Developmental Disabilities	9,019	9,019
Housing Preservation	2,000	4,500
Mental Health Beds	5,000	5,000
Pacific Medical Center	20,000	20,000
Projects for Jobs & Economic Development	35,009	42,109
Projects that Strengthen Communities & Quality of Life	32,628	33,128
Projects that Strengthen Youth & Families	19,677	19,677
Public Works Assistance Account Project Backfill	158,000	158,000
Sand Point Building 9	14,000	14,000
Community Economic Revitalization Board	0	9,000
Weatherization	20,000	20,000
2013-2015 Energy Efficiency Grants	25,000	25,000
Building for the Arts Grants	10,204	10,204
Youth Recreational Facilities Grants	4,131	4,131
Building Communities Fund Grants	5,279	5,279
Drinking Water State Revolving Fund Loan Program	8,800	208,800
<b>Total</b>	<b>447,228</b>	<b>670,328</b>
<b><i>Office of Financial Management</i></b>		
Construction Contingency Pool	4,000	4,000
Culverts in Three State Agencies	7,000	7,000
Emergency Repair Pool for K-12 Public Schools	5,000	5,000
Higher Education Preservation Information	0	300
Office of Financial Management Capital Staff	900	900
Oversight of State Facilities	2,080	2,080

## 2013-15 Capital Budget

(Dollars In Thousands)

<b>NEW APPROPRIATIONS</b>	<b>State Bonds</b>	<b>Total Funds</b>
Emergency Repairs	5,000	5,000
Catastrophic Flood Relief	28,202	28,202
<b>Total</b>	<b>52,182</b>	<b>52,482</b>
 <b>Department of Enterprise Services</b>		
1063 Block Replacement	13,000	13,000
Archives Building and Capitol Court HVAC Upgrades	1,000	1,000
Campus Steam System and Chiller Upgrades	2,497	3,997
Natural Resource Building Repairs Phase 1	4,161	5,101
Security Improvements Div. 3 Court of Appeals	104	104
Minor Works Preservation	3,218	4,028
Engineering and Architectural Services: Staffing	9,550	12,900
Capitol Campus Underground Utility Repairs	1,983	1,983
East Plaza - Water Infiltration & Elevator Repairs	2,310	3,103
NRB Garage Fire Suppression System Repairs	1,500	2,238
Leg Building Exterior Repairs Phase 2	1,000	1,000
Legislative Building Critical Hydronic Loop Repairs	851	851
<b>Total</b>	<b>41,174</b>	<b>49,305</b>
 <b>Washington State Patrol</b>		
Emergency Repairs	0	200
Fire Training Academy Burn Building Replacement	0	1,500
Burn Building Repair	0	300
<b>Total</b>	<b>0</b>	<b>2,000</b>
 <b>Military Department</b>		
Thurston County Readiness Center	2,800	2,800
Minor Works Preservation - 2013-2015 Biennium	1,500	5,226
Minor Works Program - 2013-2015 Biennium	0	12,925
Pierce County Readiness Center	3,659	33,601
Information Operations Readiness Center-Joint Base Lewis	0	35,000
Yakima Training Center Barracks	0	18,000
<b>Total</b>	<b>7,959</b>	<b>107,552</b>

## 2013-15 Capital Budget

(Dollars In Thousands)

NEW APPROPRIATIONS	State Bonds	Total Funds
<b><i>Department of Archaeology &amp; Historic Preservation</i></b>		
Heritage Barn Preservation Program	500	500
Historic Courthouse Preservation Grants	2,000	2,000
<b>Total</b>	<b>2,500</b>	<b>2,500</b>
<b>Total Governmental Operations</b>	<b>551,491</b>	<b>884,615</b>
<b>Human Services</b>		
<b><i>Department of Social and Health Services</i></b>		
ESH and WSH-All Wards: Patient Safety Improvements	0	4,800
Medical Lake Infrastructure Modernization Study	500	500
Minor Works Preservation Projects: Statewide	11,755	14,155
Naselle Youth Camp-Three Cottages: Renovation	1,900	1,900
<b>Total</b>	<b>14,155</b>	<b>21,355</b>
<b><i>Department of Health</i></b>		
Drinking Water Assistance Program	0	28,800
HVAC Systems Upgrade Continuation	2,809	2,809
Minor Works - Facility Preservation	958	958
<b>Total</b>	<b>3,767</b>	<b>32,567</b>
<b><i>Department of Veterans' Affairs</i></b>		
Minor Works Facilities Preservation	1,313	1,313
<b><i>Department of Corrections</i></b>		
DOC Centralized Pharmacy	700	700
WCC: Replace Intensive Management Unit Roof	1,071	1,071
MCC: WSR Replace Fire Alarm System	2,616	2,616
AHCC: Replace Fire Alarm System	3,399	3,399
WCCW: Replace Fire Alarm System	2,569	2,569
MCC: WSR Living Units Roofs	1,785	1,785
SW: Minor Works - Preservation Projects	10,100	10,100
WCC: Security Video System	6,972	6,972
MCC: SOU IMU Security Video	2,640	2,640
MCC: TRU Security Video System	3,876	3,876
MCC: WSR Security Video System	5,233	5,233
WCCW: Security Video System	3,421	3,421

## 2013-15 Capital Budget

(Dollars In Thousands)

<b>NEW APPROPRIATIONS</b>	<b>State Bonds</b>	<b>Total Funds</b>
AHCC: Security Electronics Renovations	5,047	5,047
MCC: TRU Support Bldg Repair Fire Detection System	1,058	1,058
<b>Total</b>	<b>50,487</b>	<b>50,487</b>
<b>Total Human Services</b>	<b>69,722</b>	<b>105,722</b>
<b>Natural Resources</b>		
<i>Department of Ecology</i>		
Floodplain Management and Control Grants	50,000	50,000
Lower Yakima GWMA Program Development	1,614	1,614
Storm Water Improvements	0	100,000
Veterans' Conservation Corps	0	1,000
Water Pollution Control Revolving Program	15,500	250,000
Centennial Clean Water Program	0	50,000
Yakima River Basin Water Supply	32,100	32,100
Dungeness Water Supply & Mitigation	2,050	2,050
Columbia River Water Supply Development Program	74,500	74,500
Remedial Action Grants	0	62,537
Sunnyside Valley Irrigation District Water Conservation	3,055	3,055
Clean Up Toxics Sites - Puget Sound	0	31,500
Eastern Washington Clean Sites Initiative	0	10,300
ASARCO Cleanup	4,000	34,660
Watershed Plan Implementation and Flow Achievement	10,000	10,000
Coordinated Prevention Grants	0	28,240
Reducing Toxic Diesel Emissions	0	4,500
Reducing Toxic Wood Stove Emissions	0	4,000
Water Irrigation Efficiencies Program	4,000	4,000
Mercury Switch Removal	0	500
Waste Tire Pile Cleanup and Prevention	0	1,000
Padilla Bay Federal Capital Projects - Preservation	0	100
Padilla Bay Federal Capital Projects - Programmatic	0	500
Coastal Wetlands Federal Funds	0	9,800
<b>Total</b>	<b>196,819</b>	<b>765,956</b>

## 2013-15 Capital Budget

(Dollars In Thousands)

<b>NEW APPROPRIATIONS</b>	<b>State Bonds</b>	<b>Total Funds</b>
<b><i>State Parks and Recreation Commission</i></b>		
Backlog Repairs and Enhanced Amenities	9,404	9,404
Lyons Ferry State Park	600	600
Park Land Acquisition Account	250	2,250
Potholes Replace Failed RV Campsites Electrical Hookups	997	997
Cape Disappointment Trail Development	517	517
Flaming Geyser State Park Infrastructure	1,325	1,325
Fish Barrier Removal	1,048	1,048
Dosewallips Wastewater Treatment System	4,079	4,079
Spencer Spit Water System Replacement	983	983
Minor Works - Facility and Infrastructure Preservation	10,000	10,000
Cape Disappointment North Head Parking	925	925
Lake Sammamish - Sunset Beach Bathhouse Replacement	2,984	2,984
Flaming Geyser Day Use Renovation	1,002	1,002
Peace Arch - Waterline Replacement and Upgrade	972	972
Kopachuck Day Use Development Design and Permit	319	319
Twanoh State Park Stormwater Improvements Construction Phase	354	354
Lewis & Clark Replace Wastewater System	1,077	1,077
Camano Island Day Use Access and Facility Renovation	301	301
Millersylvania Replace Environmental Learning Center Cabins	1,089	1,089
Minor Works - Revenue Generation	437	437
Rocky Reach - Trail Development Construction Phase 3	3,755	3,755
Deception Pass - Kukutali Access and Interpretation	225	225
Ice Age Floods Interpretive Panels	154	154
Clean Vessel Boating Pump-Out Grants	0	2,600
Rocky Reach - Chelan County PUD Grant	0	600
Local Grant Authority	0	1,200
Federal Grant Authority	0	1,750
<b>Total</b>	<b>42,797</b>	<b>50,947</b>
<b><i>Recreation and Conservation Funding Board</i></b>		
Public Lands Inventory	200	200
Youth Recreation Grants	3,630	3,630
Washington Wildlife Recreation Grants	65,000	65,000
Family Forest Fish Passage Program	2,000	2,000
Salmon Recovery Funding Board Programs	15,000	75,000
Boating Facilities Program	0	6,363

## 2013-15 Capital Budget

(Dollars In Thousands)

<b>NEW APPROPRIATIONS</b>	<b>State Bonds</b>	<b>Total Funds</b>
Nonhighway Off-Road Vehicle Activities	0	8,500
Aquatic Lands Enhancement Account	0	6,000
Puget Sound Acquisition and Restoration	70,000	70,000
Puget Sound Estuary and Salmon Restoration Program	10,000	10,000
Firearms and Archery Range Recreation	0	800
Recreational Trails Program	0	5,000
Boating Infrastructure Grants	0	2,200
Land and Water Conservation	0	4,000
<b>Total</b>	<b>165,830</b>	<b>258,693</b>
 <b><i>State Conservation Commission</i></b>		
CREP Riparian Cost Share - State Match	2,590	2,590
Natural Resources Investment for the Economy and Environment	9,000	10,000
CREP PIP Loan Program	0	180
CREP Riparian Contract Funding	2,231	2,231
<b>Total</b>	<b>13,821</b>	<b>15,001</b>
 <b><i>Department of Fish and Wildlife</i></b>		
Beebe Springs	500	500
Cooperative Fencing	350	350
Derelict Net Removal	3,500	3,500
Lab Equipment	100	100
Replace Fire Damaged Fencing	1,612	1,612
Minor Works Preservation	9,975	9,975
Wooten Wildlife Area Improve Flood Plain Design and Permit	500	3,100
Minor Works - Programmatic	500	500
Deschutes Watershed Center	7,300	7,300
Migratory Waterfowl Habitat	0	600
Mitigation Projects and Dedicated Funding	0	36,000
<b>Total</b>	<b>24,337</b>	<b>63,537</b>
 <b><i>Department of Natural Resources</i></b>		
Barbeque Flats Road Access	500	500
Patterson Pipeline	0	2,500
Quinault Coastal Forest and Watershed Restoration Grant	1,800	1,800
Yakima Basin Integrated Plan Land Purchase	89,344	99,344
Forest Riparian Easement Program	2,000	2,000

## 2013-15 Capital Budget

(Dollars In Thousands)

NEW APPROPRIATIONS	State Bonds	Total Funds
Rivers and Habitat Open Space Program	500	500
Forest Hazard Reduction	4,000	4,000
Road Maintenance and Abandonment Plans (RMAP)	2,000	2,000
Natural Areas Preservation, Access, and RMAPs	1,000	1,000
State Forest Land Replacement	1,500	1,500
2013-2015 Minor Works Preservation	0	1,260
2013-2015 Minor Works Programmatic	0	1,403
Trust Land Transfer	56,345	56,345
Sustainable Recreation	1,000	1,000
Trust Land Replacement	0	50,500
Forest Legacy	0	7,000
Land Acquisition Grants	0	4,000
Derelict Vessel Removal and Disposal	0	4,500
<b>Total</b>	<b>159,989</b>	<b>241,152</b>
<b><i>Department of Agriculture</i></b>		
Animal Disease Traceability	0	881
Health and Safety Improvements at Fairs	1,000	1,000
<b>Total</b>	<b>1,000</b>	<b>1,881</b>
<b>Total Natural Resources</b>	<b>604,593</b>	<b>1,397,167</b>
<b>Higher Education</b>		
<b><i>University of Washington</i></b>		
Preventive Facility Maintenance and Building System Repairs	0	25,825
UW Tacoma Urban/Science Education Facility	1,900	1,900
Minor Capital Repairs - Preservation	3,539	46,754
UW Magnuson Health Sciences Center Roofing Replacement	5,794	6,529
Denny Hall Renovation	30,590	30,590
Lewis Hall Renovation	2,587	2,587
<b>Total</b>	<b>44,410</b>	<b>114,185</b>
<b><i>Washington State University</i></b>		
Benefit-Cost Analyses of Yakima River Basin Integrated Plan	300	300
Everett University Center	10,000	10,000
Preventive Facility Maintenance and Building System Repairs	0	10,115
WSU Pullman Pedestrian Bridge	1,500	1,500

## 2013-15 Capital Budget

(Dollars In Thousands)

<b>NEW APPROPRIATIONS</b>	<b>State Bonds</b>	<b>Total Funds</b>
Clean Technology Laboratory	30,335	30,335
WSU Pullman - Plant Sciences Building (REC#5)	0	500
2013-15 Minor Works - Preservation, Safety, Infrastructure	12,214	28,564
WSU Pullman - Troy Hall Renovation	1,527	2,021
Plant Growth (Greenhouse) Facilities, Phase 1	0	225
WSU Prosser - Viticulture & Enology Facility	0	2,792
WSU Prosser - Agriculture Technology Building Addition	0	2,114
<b>Total</b>	<b>55,876</b>	<b>88,466</b>
<b><i>Eastern Washington University</i></b>		
Upgrade/Repair Campus Water System	5,508	7,278
University Science Center - Science II Predesign	350	350
EWU Minor Works Preservation	1,434	8,500
Preventive Maintenance and Building System Repairs	0	2,217
<b>Total</b>	<b>7,292</b>	<b>18,345</b>
<b><i>Central Washington University</i></b>		
Science Building	61,193	61,193
Combined Utilities	5,730	6,210
Minor Works Preservation	0	7,000
Preventive Maintenance and Building System Repairs	0	2,422
<b>Total</b>	<b>66,923</b>	<b>76,825</b>
<b><i>The Evergreen State College</i></b>		
Lecture Hall Remodel	1,308	1,308
Preventive Facility Maintenance and Building System Repair	0	760
Science Center - Lab II, 2nd Floor Renovation	3,544	4,694
Science Center - Lab I Basement Renovation	1,805	1,805
Facilities Preservation	1,580	6,700
<b>Total</b>	<b>8,237</b>	<b>15,267</b>
<b><i>Western Washington University</i></b>		
Preventive Facility Maintenance and Building System Repairs	0	3,614
Minor Works - Preservation	0	7,500
Performing Arts Exterior Renewal	2,947	2,947



## 2013-15 Capital Budget

(Dollars In Thousands)

NEW APPROPRIATIONS	State Bonds	Total Funds
North Campus Utility Upgrade	3,462	3,582
Classroom and Lab Upgrades Phase 2	3,830	4,746
<b>Total</b>	<b>10,239</b>	<b>22,389</b>
 <b><i>Community &amp; Technical College System</i></b>		
Preventive Maintenance and Building System Repairs	0	22,800
Minor Works - Preservation	0	17,600
Roof Repairs	0	7,785
Facility Repairs	20,852	22,134
Site Repairs	0	2,574
Minor Works - Program	3,354	18,792
Bellevue Community College: Health Science Building	28,672	28,672
Grays Harbor College: Science and Math Building	41,576	41,576
Seattle Central Community College: Seattle Maritime Academy	15,491	15,491
Yakima Valley Community College: Palmer Martin Building	19,243	19,243
Green River Community College: Trades and Industry Building	26,774	26,774
Centralia Community College: Student Services	2,517	2,517
Bates Technical College: Mohler Communications Technology Center	23,808	23,808
Columbia Basin College: Social Science Center	965	965
Peninsula College: Allied Health and Early Childhood Dev Center	1,810	1,810
South Seattle Community College: Cascade Court	2,087	2,087
Clark College: Health and Advanced Technologies Building	33,784	33,784
Renton Technical College: Automotive Complex Renovation	1,583	1,583
Edmonds Community College: Science, Engineering, Technology Bldg	7,820	7,820
Whatcom Community College: Learning Commons	1,822	1,822
<b>Total</b>	<b>232,158</b>	<b>299,637</b>
 <b>Total Higher Education</b>	 <b>425,135</b>	 <b>635,114</b>
 <b>Other Education</b>		
<b><i>Public Schools</i></b>		
Delta High School	5,400	5,400
Distressed Schools	10,000	10,000
Energy Efficiency Grants for K-12 Schools	7,000	7,000
San Juan Island School District STEM Vocational Bldg Renovation	1,000	1,000

## 2013-15 Capital Budget

(Dollars In Thousands)

<b>NEW APPROPRIATIONS</b>	<b>State Bonds</b>	<b>Total Funds</b>
School Security Improvement Grants	10,000	10,000
Spokane Valley Tech	1,500	1,500
Tahoma School District	4,000	4,000
2013-15 School Construction Assistance Program - Maintenance	285,355	495,087 <i>pv</i>
Capital Program Administration	0	3,854
Clark County Skills Center	7,151	7,151
Pierce County Skills Center	11,609	11,609
Spokane Area Professional-Technical Skills Center	11,887	11,887
<b>Total</b>	<b>354,902</b>	<b>568,488</b>
<b><i>State School for the Blind</i></b>		
General Campus Preservation	500	500
<b><i>Center for Childhood Deafness &amp; Hearing Loss</i></b>		
Minor Public Works	1,000	1,000
<b><i>Washington State Historical Society</i></b>		
Facilities Preservation - Minor Works Projects	2,483	2,483
Heritage Capital Grants Projects	9,831	9,831
<b>Total</b>	<b>12,314</b>	<b>12,314</b>
<b><i>Eastern Washington State Historical Society</i></b>		
Minor Works - Campbell House Preservation	240	240
Minor Works - Northwest Museum of Arts & Culture	55	55
<b>Total</b>	<b>295</b>	<b>295</b>
<b>Total Other Education</b>	<b>369,011</b>	<b>582,597</b>
<b>Projects Total</b>	<b>2,019,952</b>	<b>3,605,215</b>
<b><i>GOVERNOR VETO</i></b>		
<b><i>Public Schools</i></b>		
2013-15 School Construction Assistance Program - Maintenance	0	-250
<b>Governor Veto Total</b>	<b>0</b>	<b>-250</b>

## 2013-15 Capital Budget

(Dollars In Thousands)

<b>NEW APPROPRIATIONS</b>	<b>State Bonds</b>	<b>Total Funds</b>
<hr/>		
<b>TOTALS</b>		
Projects Total	2,019,952	3,605,215
Governor Veto Total	0	-250
<b>Statewide Total</b>	<b>2,019,952</b>	<b>3,604,965</b>

### **BOND CAPACITY ADJUSTMENTS**

#### **Office of Financial Management**

2011-13 OFM Emergency Pool Reappropriation Reduction -1,586

#### **Washington State University (Reappropriation Reduction)**

WSU Vancouver Reappropriation Reduction -1,500

#### **Public Schools (Reappropriation Reduction)**

Clark County Skills Center Reappropriation Reduction -800

**Bond Capacity Adjustments Total -3,886**

### **BONDS PREVIOUSLY AUTHORIZED BY THE LEGISLATURE**

#### **Office of Financial Management (Chehalis River Basin Bonds)**

Catastrophic Flood Relief -28,202

#### **Department of Ecology (Columbia River Water Supply Bonds)**

Columbia River Water Supply Development Program -74,500

#### **Community & Technical College System (Gardner-Evans Higher Education Bonds)**

Minor Works - Program -3,000

**Bond Previously Authorized Total -105,702**

# 2013-15 Capital Budget

(Dollars In Thousands)

<b>NEW APPROPRIATIONS</b>	<b>State Bonds</b>	<b>Total Funds</b>
<b><i>2013 SUPPLEMENTAL CAPITAL BUDGET</i></b>		
2013 Supplemental Items	5,469	
<b><i>STATEWIDE TOTAL FOR BOND CAPACITY PURPOSES</i></b>	<b>\$1,915,833</b>	

## 2011-13 Capital Budget - 2013 Supplemental

(Dollars In Thousands)

New Appropriations	State Bonds	Total Funds
<b>Governmental Operations</b>		
<b><i>Department of Enterprise Services</i></b>		
Engineering and Architectural Services: Staffing	790	0
Legislative Building Critical Hydronic Loop Repairs	1,179	0
Nat Resource Bldg Roof Replacement/Ext Foam Insulation	3,500	0
<b>Total</b>	<b>\$5,469</b>	<b>\$0</b>
 <b>Natural Resources</b>		
<b><i>State Parks and Recreation Commission</i></b>		
Fort Worden State Park: Building 202 Rehabilitation	-2,377	-2,377
 <b><i>Recreation and Conservation Funding Board</i></b>		
Aquatic Lands Enhancement Account	0	-345
 <b><i>Department of Natural Resources</i></b>		
Natural Areas Facilities Preservation and Access	0	345
<b>Total Natural Resources</b>	<b>-\$2,377</b>	<b>-\$2,377</b>
 <b>Higher Education</b>		
<b><i>Community &amp; Technical College System</i></b>		
Peninsula College: Fort Worden Building 202	2,377	2,377
 <b>Other Education</b>		
<b><i>Public Schools</i></b>		
2011-13 School Construction Assistance Program	0	630
<b>Statewide Total</b>	<b>\$5,469</b>	<b>\$630</b>

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C 266	L 13	Offender rental vouchers.....	ESB	5105
C 267	L 13	Vehicle prowling.....	ESB	5053
C 268	L 13	Epinephrine autoinjectors .....	ESB	5104
C 269	L 13	Condominium associations' communities.....	SB	5113
C 270	L 13	Crimes against pharmacies .....	SB	5149
C 271	L 13	Higher education students/military .....	SB	5343
C 272	L 13	Trusts.....	SB	5344
C 273	L 13	Child abuse & neglect.....	SB	5359
C 274	L 13	Geothermal resources.....	SSB	5369
C 275	L 13	Growth Management Act/penalties .....	SSB	5399
C 276	L 13	Prescription information .....	SSB	5416
C 277	L 13	Health care providers .....	SSB	5434
C 278	L 13	Boating safety .....	SSB	5437
C 279	L 13	State health insurance pool .....	ESSB	5449
C 280	L 13	Physical therapists.....	SB	5465
C 281	L 13	Audiology degrees at Western Washington University.....	SB	5472
C 282	L 13	Educational health.....	ESSB	5491
C 283	L 13	Candidate and measure donors .....	SSB	5507
C 284	L 13	Competency to stand trial .....	ESSB	5551
C 285	L 13	Missing endangered persons .....	SSB	5556
C 286	L 13	Sounders FC and Seahawks.....	SSB	5152
C 287	L 13	Disabled LEOFF plan 2 members.....	SHB	1868
C 288	L 13	Dungeness crab fishery .....	SHB	1075
C 289	L 13	Criminal incompetency/commitment.....	E2SHB	1114
C 290	L 13	Seafood labeling.....	SHB	1200
C 291	L 13	Derelict & abandoned vessels.....	ESHB	1245
C 292	L 13	Electronic waste collection .....	SHB	1498
C 293	L 13	Health care professionals .....	E2SSB	5215
C 294	L 13	Defamation.....	ESB	5236
C 295	L 13	Autopsies and postmortems .....	SSB	5256
C 296	L 13	Educational specialist degrees .....	SSB	5559
C 297	L 13	Health care rebating .....	SSB	5601
C 298	L 13	Health professional program.....	SSB	5615
C 299	L 13	Farm vehicles on highways.....	ESB	5616
C 300	L 13	Adult family home quality .....	SSB	5630
C 301	L 13	Health Care Quality .....	ESB	5666
C 302	L 13	Trafficking .....	ESSB	5669
C 303	L 13	Co-occurring disorders.....	ESSB	5681
C 304	L 13	Standby & limited guardians .....	SB	5692
C 305	L 13	Electronic product recycling.....	ESB	5699
C 306	L 13	PV Transportation budget 2011-13/2013-15 .....	ESSB	5024
C 307	L 13	Aquatic invasive species .....	SSB	5702
C 308	L 13	Densified biomass pilot program.....	ESSB	5709
C 309	L 13	Tax evasion by electronic means .....	SB	5715
C 310	L 13	Enhanced raffles.....	ESSB	5723
C 311	L 13	Public hospital district boards.....	SB	5748

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C 312	L 13		Outdoor advertising signs .....	SSB	5761
C 313	L 13		Dairy cattle inspection .....	SSB	5767
C 314	L 13		Commercial fishing guides .....	SSB	5786
C 315	L 13		Security threat group information .....	SB	5810
C 316	L 13		Children/visiting & contact.....	E2SSB	5389
C 317	L 13		Wireless communications .....	SHB	1183
C 318	L 13		Marine advisory councils.....	ESB	5603
C 319	L 13	PV	Hospital infection rates .....	HB	1471
C 320	L 13		Health care coordination .....	ESHB	1519
C 321	L 13		Birth certificates .....	SHB	1525
C 322	L 13	PV	Scrap metal theft reduction .....	ESHB	1552
C 323	L 13	PV	Early learning services .....	2SHB	1723
C 324	L 13		Business & government streamlining .....	HB	1818
C 325	L 13		Stand-alone dental coverage .....	ESHB	1846
C 326	L 13		Vocational rehabilitation plans/educational options.....	EHB	1887
C 327	L 13		State budget transparency .....	HB	2058
C 328	L 13		Publicly owned vehicles/fuel .....	ESB	5099
C 329	L 13		Gray wolf conflict management.....	E2SSB	5193
C 330	L 13		Social networking accounts .....	SSB	5211
C 331	L 13		Workers' compensation/vocational rehabilitation.....	SSB	5362
C 332	L 13		Extended foster care.....	E2SSB	5405
C 333	L 13		Annexation within code city .....	SB	5417
C 334	L 13		Detentions .....	SSB	5456
C 335	L 13		Involuntary commitment.....	ESSB	5480
C 336	L 13		Confidential licenses, etc. ....	SSB	5591
C 337	L 13		Child care reform .....	2SSB	5595
C 338	L 13		Adult behavioral health.....	2SSB	5732
C 339	L 13		Logger safety initiative .....	ESSB	5744
Full Veto			Beer, wine tasting endorsement .....	SHB	1422
Full Veto			Impact fee payment.....	ESHB	1652

***EXECUTIVE AGENCIES***

**Department of Ecology**  
Maia D. Bellon, Director

**Department of Financial Institutions**  
Scott Jarvis, Director

**Military Department**  
Bret Daugherty, Director

**Office of Financial Management**  
David Schumacher, Director

**Washington State Patrol**  
John R. Batiste, Chief

**Department of Veterans Affairs**  
Lourdes E. Alvarado-Ramos, Director

***UNIVERSITIES AND COLLEGES  
BOARDS OF TRUSTEES***

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Dan Dixon  
Chris Liu  
Lindsey J. Sires

**Eastern Washington University**  
James M. Murphy  
Paul Tanaka  
Robert H. Whaley  
Vicki J. Wilson

**The Evergreen State College**  
Erin Harms  
David L. Nicandri  
Anne Proffitt  
James S. Wigfall

**University of Washington**  
Kristianne Blake  
Jeremy Jaech  
Chris Jordan

**Washington State University**

Rafael B. Pruneda  
Michael C. Worthy

**Western Washington University**  
Betti Fujikado  
Joseph E. Meyer  
Ralph Munro  
Susan K. Sharpe

***HIGHER EDUCATION BOARD***

**Professional Educator Standards Board**  
June Canty  
Lester T. Herndon

***COMMUNITY AND TECHNICAL  
COLLEGES BOARDS OF TRUSTEES***

**Bates Technical College District No. 28**  
Theresa Pan Hosley  
Calvin Pearson  
Karen Seinfeld

**Bellevue College District No. 8**  
Lisa Chin  
Vicki Orrico

**Bellingham Technical College District No. 25**  
Debbie J. Ahl  
James Cunningham  
James Groves

**Big Bend Community College District No. 18**  
Anna C. Franz  
Miguel A. Villarreal

**Cascadia Community College District No. 30**  
Janet M. McDaniel  
Louis A. Mendoza

**Centralia Community College District No. 12**  
Joseph Dolezal

**Clover Park Technical College District No. 29**  
Mark P. Martinez  
Faaluaina Pritchard



## **Gubernatorial Appointments Confirmed**

---

**Columbia Basin Community College District  
No. 19**

Kedrich Jackson

**Edmonds Community College District No. 23**

Diana Clay  
Emily Yim

**Everett Community College District No. 5**

Bob Bolerjack  
Janet M. Kusler

**Grays Harbor Community College District No. 2**

Arthur A. Blauvelt  
Rebecca Chaffee  
Denise Portmann

**Green River Community College District No. 10**

Mark D. Albertson

**Lake Washington Technical College District  
No. 26**

Lynette D. Jones  
Neil Johnson  
Darrell S. Mitsunaga  
Bruce Reid

**Lower Columbia Community College District  
No. 13**

Stephen W. Vincent  
Thuy Vo

**Olympic Community College District No. 3**

Beverly J. Cheney  
Jim Page  
Darlene Peters

**Peninsula Community College District No. 1**

Lawrence M. Glenn  
Dwayne Johnson  
Michael S. Maxwell  
Julie McCulloch

**Pierce Community College District No. 11**

Angela G. Roarty  
Stephen L. Smith  
Amadeo Tiam

**Renton Technical College District No. 27**

Susan Palmer  
Brian Unti

**Seattle, So. Seattle, and No. Seattle Community  
College District No. 6**

Courtney Gregoire

**Shoreline Community College District No. 7**

Phillip L. Barrett  
Roger Olstad

**Skagit Valley Community College District No. 4**

Lindsay Fiker  
Christon C. Skinner  
John Stephens

**South Puget Sound Community College District  
No. 24**

Judith L. Hartmann

**Spokane and Spokane Falls Community College  
District No. 17**

Gregory D. Bever  
Edwin W. Morgan

**State Board for Community and Technical  
Colleges**

J. A. Bricker

**Tacoma Community College District No. 22**

Robert M. Ryan

**Walla Walla Community College District No. 20**

Darcey Fugman-Small  
Donald R. McQuary  
Miguel Sanchez

**Wenatchee Valley Community College District  
No. 15**

Tamra Jackson

**Whatcom Community College District No. 21**

Susan Cole  
Charles Robinson  
Barbara Rofkar

**STATE BOARDS, COUNCILS, AND COMMISSIONS**

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Ariele Belo

**State Board of Education**

Dr. Kristina Mayer

**Energy Northwest**

Marc Daudon

**Fish and Wildlife Commission**

Larry Carpenter

Jay T. Kehne

Conrad Mahnken

**Housing Finance Commission**

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Dennis Kloida

M.A. Leonard

Steven Moss

Faouzi Sefrioui

Gabe P. Spencer

Pamela J. Tietz

Mario M. Villanueva

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Clarence M. Henderson

Stephen J. Hunt

**Board of Industrial Insurance Appeals**

Jack Eng

**Parks and Recreation Commission**

Steve S. Milner

**Personnel Resources Board**

Nancy J. Holland Young

**Public Disclosure Commission**

Kathy R. Turner

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James L. Kemp

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Timothy Rasmussen

Robyn J. Todd

**Transportation Commission**

Anne E. Haley

Joe M. Tortorelli

**Utilities and Transportation Commission**

David Danner

**Work Force Training and Education Coordinating Board**

Creigh Agnew

Don C. Brunell

Lee Newgent

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Jim Moeller .....Speaker Pro Tempore  
Tina Orwall..... Assistant Speaker Pro Tempore  
Pat Sullivan..... Majority Leader  
Eric Pettigrew..... Majority Caucus Chair  
Kevin Van De Wege..... Majority Whip  
Joe Fitzgibbon .....Deputy Majority Whip  
Tami Green .....Majority Floor Leader  
Marcie Maxwell ..... Deputy Majority Leader  
for Education & Opportunity  
Larry Springer..... Deputy Majority Leader  
for Jobs & Economic Development  
Kristine Lytton..... Deputy Majority Floor Leader  
Jessyn Farrell.....Assistant Majority Whip  
Marcus Riccelli .....Assistant Majority Whip

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Joel Kretz ..... Deputy Minority Leader  
Judy Warnick ..... Minority Caucus Chair  
Paul Harris ..... Minority Whip  
J.T. Wilcox ..... Minority Floor Leader  
Shelly Short ..... Minority Caucus Vice Chair  
Matt Shea .....Assistant Minority Floor Leader  
Steve O'Ban .....Assistant Minority Floor Leader  
Elizabeth Scott .....Assistant Minority Whip  
Drew MacEwen .....Assistant Minority Whip  
Jeff Holy .....Assistant Minority Whip

Barbara Baker ..... Chief Clerk  
Bernard Dean..... Deputy Chief Clerk

### Senate

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Tim Sheldon.....President Pro Tempore  
Paull Shin ..... Vice President Pro Tempore  
Hunter G. Goodman .....Secretary  
Brad Hendrickson ..... Deputy Secretary

#### Caucus Officers

##### Majority Coalition Caucus

Rodney Tom ..... Majority Coalition Leader  
Mark Schoesler ..... Republican Leader  
Linda Evans Parlette ..... Majority Caucus Chair  
Joe Fain ..... Majority Floor Leader  
Ann Rivers..... Majority Whip  
Don Benton..... Majority Caucus Deputy Leader  
Bruce Dammeier..... Majority Caucus Vice Chair  
Jim Honeyford ..... Majority Assistant Floor Leader  
John Braun..... Majority Assistant Deputy Whip

##### Democratic Caucus

Ed Murray ..... Democratic Leader  
Karen Fraser .....Democratic Caucus Chair  
David Frockt..... Democratic Floor Leader  
Andy Billig..... Democratic Whip  
Nick Harper.....Democratic Deputy Leader  
Annette Cleveland .... Democratic Asst. Floor Leader  
Mark Mullet..... Democratic Assistant Whip

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---

### District 1

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Rep. Derek Stanford (D-1)  
Rep. Luis Moscoso (D-2)

### District 2

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Rep. Gary Alexander (R-1)  
Rep. J.T. Wilcox (R-2)

### District 3

Sen. Andy Billig (D)  
Rep. Marcus Riccelli (D-1)  
Rep. Timm Ormsby (D-2)

### District 4

Sen. Mike Padden (R)  
Rep. Larry Crouse (R-1)  
Rep. Matt Shea (R-2)

### District 5

Sen. Mark Mullet (D)  
Rep. Jay Rodne (R-1)  
Rep. Chad Magendanz (R-2)

### District 6

Sen. Michael Baumgartner (R)  
Rep. Kevin Parker (R-1)  
Rep. Jeff Holy (R-2)

### District 7

Sen. John Smith (R)  
Rep. Shelly Short (R-1)  
Rep. Joel Kretz (R-2)

### District 8

Sen. Sharon Brown (R)  
Rep. Brad Klippert (R-1)  
Rep. Larry Haler (R-2)

### District 9

Sen. Mark Schoesler (R)  
Rep. Susan Fagan (R-1)  
Rep. Joe Schmick (R-2)

### District 10

Sen. Barbara Bailey (R)  
Rep. Norma Smith (R-1)  
Rep. Dave Hayes (R-2)

### District 11

Sen. Bob Hasegawa (D)  
Rep. Zack Hudgins (D-1)  
Rep. Steve Bergquist (D-2)

### District 12

Sen. Linda Evans Parlette (R)  
Rep. Cary Condotta (R-1)  
Rep. Brad Hawkins (R-2)

### District 13

Sen. Janéa Holmquist Newbry (R)  
Rep. Judy Warnick (R-1)  
Rep. Matt Manweller (R-2)

### District 14

Sen. Curtis King (R)  
Rep. Norm Johnson (R-1)  
Rep. Charles Ross (R-2)

### District 15

Sen. Jim Honeyford (R)  
Rep. Bruce Chandler (R-1)  
Rep. David Taylor (R-2)

### District 16

Sen. Mike Hewitt (R)  
Rep. Maureen Walsh (R-1)  
Rep. Terry Nealey (R-2)

### District 17

Sen. Don Benton (R)  
Rep. Monica Stonier (D-1)  
Rep. Paul Harris (R-2)

### District 18

Sen. Ann Rivers (R)  
Rep. Brandon Vick (R-1)  
Rep. Liz Pike (R-2)

### District 19

Sen. Brian Hatfield (D)  
Rep. Dean Takko (D-1)  
Rep. Brian Blake (D-2)

### District 20

Sen. John Braun (R)  
Rep. Richard DeBolt (R-1)  
Rep. Ed Orcutt (R-2)

### District 21

Sen. Paull Shin (D)  
Rep. Mary Helen Roberts (D-1)  
Rep. Marko Liias (D-2)

### District 22

Sen. Karen Fraser (D)  
Rep. Chris Reykdal (D-1)  
Rep. Sam Hunt (D-2)

### District 23

Sen. Christine Rolfes (D)  
Rep. Sherry Appleton (D-1)  
Rep. Drew Hansen (D-2)

### District 24

Sen. James Hargrove (D)  
Rep. Kevin Van De Wege (D-1)  
Rep. Steve Tharinger (D-2)

### District 25

Sen. Bruce Dammeier (R)  
Rep. Dawn Morrell (R-1)  
Rep. Hans Zeiger (R-2)

### District 26

Sen. Nathan Schlicher (D)  
Rep. Jan Angel (R-1)  
Rep. Larry Seaquist (D-2)

### District 27

Sen. Jeannie Darneille (D)  
Rep. Laurie Jinkins (D-1)  
Rep. Jake Fey (D-2)

**District 28**

Sen. Mike Carrell (R)  
Sen. Steve O'Ban (R)\*  
Rep. Steve O'Ban (D-1)  
Rep. Tami Green (D-2)

**District 29**

Sen. Steve Conway (D)  
Rep. David Sawyer (D-1)  
Rep. Steve Kirby (D-2)

**District 30**

Sen. Tracey Eide (D)  
Rep. Linda Kochmar (D-1)  
Rep. Roger Freeman (R-2)

**District 31**

Sen. Pam Roach (R)  
Rep. Cathy Dahlquist (R-1)  
Rep. Christopher Hurst (D-2)

**District 32**

Sen. Maralyn Chase (D)  
Rep. Cindy Ryu (D-1)  
Rep. Ruth Kagi (D-2)

**District 33**

Sen. Karen Keiser (D)  
Rep. Tina Orwall (D-1)  
Rep. Dave Upthegrove (D-2)

**District 34**

Sen. Sharon Nelson (D)  
Rep. Eileen Cody (D-1)  
Rep. Joe Fitzgibbon (D-2)

**District 35**

Sen. Tim Sheldon (D)  
Rep. Kathy Haigh (D-1)  
Rep. Drew MacEwen (D-2)

**District 36**

Sen. Jeanne Kohl-Welles (D)  
Rep. Reuven Carlyle (D-1)  
Rep. Gael Tarleton (D-2)

**District 37**

Sen. Adam Kline (D)  
Rep. Sharon Tomiko Santos (D-1)  
Rep. Eric Pettigrew (D-2)

**District 38**

Sen. Nick Harper (D)  
Rep. John McCoy (D-1)  
Rep. Mike Sells (D-2)

**District 39**

Sen. Kirk Pearson (R)  
Rep. Dan Kristiansen (R-1)  
Rep. Elizabeth Scott (R-2)

**District 40**

Sen. Kevin Ranker (D)  
Rep. Kristine Lytton (D-1)  
Rep. Jeff Morris (D-2)

**District 41**

Sen. Steve Litzow (R)  
Rep. Marcie Maxwell (D-1)  
Rep. Judy Clibborn (D-2)

**District 42**

Sen. Doug Ericksen (R)  
Rep. Jason Overstreet (R-1)  
Rep. Vincent Buys (R-2)

**District 43**

Sen. Ed Murray (D)  
Rep. Jamie Pedersen (D-1)  
Rep. Frank Chopp (D-2)

**District 44**

Sen. Steve Hobbs (D)  
Rep. Hans Dunshee (D-1)  
Rep. Mike Hope (R-2)

**District 45**

Sen. Andy Hill (R)  
Rep. Roger Goodman (D-1)  
Rep. Larry Springer (D-2)

**District 46**

Sen. David Frockt (D)  
Rep. Gerry Pollet (D-1)  
Rep. Jessyn Farrell (D-2)

**District 47**

Sen. Joe Fain (R)  
Rep. Mark Hargrove (R-1)  
Rep. Pat Sullivan (D-2)

**District 48**

Sen. Rodney Tom (D)  
Rep. Ross Hunter (D-1)  
Rep. Cyrus Habib (D-2)

**District 49**

Sen. Annette Cleveland (D)  
Rep. Sharon Wylie (D-1)  
Rep. Jim Moeller (D-2)

\*Appointed during the 1st Special Session

## Standing Committee Assignments

---

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Jim Honeyford\*  
Sharon Brown  
Tracey Eide  
Steve Hobbs  
Mark Schoesler  
Paull Shin

### **Senate Energy, Environment & Telecommunications**

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Tim Sheldon, Vice Chair  
Kevin Ranker\*  
Andy Billig  
Sharon Brown  
Maralyn Chase  
Annette Cleveland  
Jim Honeyford  
Steve Litzow

### **Senate Higher Education**

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Randi Becker, Vice Chair  
Jeanne Kohl-Welles\*  
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David Frockt  
Rosemary McAuliffe  
Rodney Tom

### **Senate Commerce & Labor**

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John Braun, Vice Chair  
Steve Conway\*  
Bob Hasegawa  
Mike Hewitt  
Karen Keiser  
Curtis King

### **Senate Financial Institutions, Housing & Insurance**

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Mike Mullet, Vice Chair  
Don Benton\*  
Joe Fain  
Brian Hatfield  
Sharon Nelson  
Pam Roach

### **Senate Human Services & Corrections**

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Steve O'Ban<sup>1</sup>, Chair  
Kirk Pearson, Vice Chair  
Jeannie Darneille\*  
Michael Baumgartner  
James Hargrove  
Nick Harper  
Mike Padden

### **Senate Early Learning & K-12 Education**

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Christine Rolfes\*\*  
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Sharon Brown  
Annette Cleveland  
Joe Fain  
Andy Hill  
Mark Mullet  
Ann Rivers

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Don Benton, Vice Chair  
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John Braun  
Steve Conway  
Karen Fraser  
Ann Rivers

### **Senate Law & Justice**

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Mike Carrell, Vice Chair  
Steve O'Ban, Vice Chair  
Adam Kline\*  
Jeannie Darneille  
Jeanne Kohl-Welles  
Kirk Pearson  
Pam Roach

### **Senate Health Care**

Randi Becker, Chair  
Bruce Dammeier, Vice Chair  
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Annette Cleveland  
Doug Ericksen  
David Frockt  
Linda Evans Parlette  
Nathan Schlicher

### **Senate Natural Resources & Parks**

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John Smith, Vice Chair  
Christine Rolfes\*  
James Hargrove  
Mike Hewitt  
Adam Kline  
Linda Evans Parlette

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<sup>1</sup> Appointed during the First Special Session

\*Ranking Member / \*\*Assistant Ranking Member

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### Senate Rules

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Tom Sheldon, Vice Chair  
Barbara Bailey  
Randi Becker  
Don Benton  
Andy Billig  
Mike Carrell  
Bruce Dammeier  
Jeannie Darneille  
Doug Ericksen  
Joe Fain  
Karen Fraser  
David Frockt  
Nick Harper  
Karen Keiser  
Curtis King  
Jeanne Kohl-Welles  
Ed Murray  
Linda Evans Parlette  
Ann Rivers  
Mark Schoesler  
Tom Rodney

### Senate Trade & Economic Development

John Braun, Chair  
John Smith, Vice Chair  
Maralyn Chase \*  
Michael Baumgartner  
Janéa Holmquist Newbry  
Nathan Schlicher  
Paull Shin

### Senate Transportation

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Tracey Eide, Co-Chair  
Don Benton\*\*\*  
Steve Hobbs\*\*\*  
Joe Fain\*\*\*\*  
Andy Billig  
Sharon Brown  
Mike Carrell  
Doug Ericksen  
Nick Harper  
Steve Litzow  
Mark Mullet  
Steve O'Ban  
Christine Rolfes  
Nathan Schlicher  
Tim Sheldon  
John Smith

### Senate Ways & Means

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Michael Baumgartner, Vice Chair  
Jim Honeyford, Capital  
Budget Chair  
James Hargrove\*  
Sharon Nelson\*\*  
Barbara Bailey  
Randi Becker  
John Braun  
Steve Conway  
Bruce Dammeier  
Karen Fraser  
Bob Hasegawa  
Brian Hatfield  
Mike Hewitt  
Karen Keiser  
Jeanne Kohl-Welles  
Ed Murray  
Mike Padden  
Linda Evans Parlette  
Kevin Ranker  
Ann Rivers  
Mark Schoesler  
Rodney Tom

\*Ranking Member / \*\*Assistant Ranking Member /  
\*\*\* Vice Co-Chair / \*\*\*\*Budget Leadership Cabinet

## Standing Committee Assignments

---

### **House Agriculture & Natural Resources**

Brian Blake, Chair  
Kristine Lytton, V. Chair  
Bruce Chandler\*  
Drew MacEwen\*\*  
Vincent Buys  
Hans Dunshee  
Kathy Haigh  
Christopher Hurst  
Joel Kretz  
Ed Orcutt  
Eric Pettigrew  
Joe Schmick  
Derek Stanford  
Kevin Van De Wege  
Judy Warnick

### **House Appropriations**

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Timm Ormsby, V. Chair  
Gary Alexander\*  
Bruce Chandler\*\*  
J.T. Wilcox\*\*  
Vincent Buys  
Rueven Carlyle  
Eileen Cody  
Cathy Dahlquist  
Hans Dunshee  
Susan Fagan  
Tami Green  
Kathy Haigh  
Larry Haler  
Paul Harris  
Zack Hudgins  
Sam Hunt  
Laurie Jinkins  
Ruth Kagi  
Marcie Maxwell  
Dawn Morrell  
Kevin Parker  
Jamie Pedersen  
Eric Pettigrew  
Liz Pike  
Charles Ross  
Joe Schmick

Larry Seaquist  
Larry Springer  
Pat Sullivan  
David Taylor

### **House Appropriations Subcommittee on Education**

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Susan Fagan\*  
Reuven Carlyle  
Cathy Dahlquist  
Larry Haler  
Marcia Maxwell  
Eric Pettigrew  
Larry Seaquist  
Pat Sullivan  
J.T. Wilcox

### **House Appropriations Subcommittee on General**

**Government**  
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Bruce Chandler  
Hans Dunshee  
Sam Hunt  
Jamie Pedersen  
Larry Springer  
David Taylor

### **House Appropriations Subcommittee on Health & Human Services**

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Tami Green  
Laurie Jinkins  
Ruth Kagi  
Timm Ormsby  
Liz Pike  
Charles Ross  
Joe Schmick

### **House Business & Financial Services**

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Brandon Vick\*\*  
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Bruce Chandler  
Cyrus Habib  
Brad Hawkins  
Zack Hudgins  
Christopher Hurst  
Linda Kochmar  
Drew MacEwen  
Steve O'Ban  
Sharon Santos  
Derek Stanford

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Derek Stanford, V. Chair  
Judy Warnick\*  
Brad Hawkins\*\*  
Drew Macewen\*\*  
Sherry Appleton  
Jake Fey  
Marcus Riccelli  
Elizabeth Scott  
Norma Smith  
Monica Stonier

### **House Community Development, Housing & Tribal Affairs**

John McCoy, Chair  
Sherry Appleton, V. Chair  
Jan Angel\*  
Norm Johnson\*\*  
Richard DeBolt  
Larry Haler  
Cindy Ryu  
Sharon Santos  
David Sawyer

\*Ranking Member / \*\*Assistant Ranking Member



## Standing Committee Assignments

### **House Early Learning & Human Services**

Ruth Kagi, Chair  
Roger Freeman, V. Chair  
Maureen Walsh\*  
Elizabeth Scott\*\*  
Jessyn Farrell  
Roger Goodman  
Drew MacEwen  
Jason Overstreet  
Mary Helen Roberts  
David Sawyer  
Hans Zeiger

### **House Education**

Sharon Santos, Chair  
Monica Stonier, V. Chair  
Cathy Dahlquist\*  
Chad Magendanz\*\*  
Steve Bergquist  
Susan Fagan  
Kathy Haigh  
Mark Hargrove  
Brad Hawkins  
Dave Hayes  
Sam Hunt  
Brad Klippert  
Kristine Lytton  
Marcia Maxwell  
John McCoy  
Tina Orwall  
Kevin Parker  
Liz Pike  
Gerry Pollet  
Larry Seaquist  
Judy Warnick

### **House Environment**

Dave Upthegrove, Chair  
John McCoy, V. Chair  
Shelly Short\*  
Liz Pike\*\*  
Larry Crouse  
Jessyn Farrell  
Jake Fey  
Ruth Kagi  
Marko Liias

Jeff Morris  
Terry Nealey  
Jason Overstreet  
Steve Tharinger

### **House Finance**

Reuven Carlyle, Chair  
Steve Tharinger, V. Chair  
Terry Nealey\*  
Ed Orcutt\*\*  
Cary Condotta  
Joe Fitzgibbon  
Drew Hansen  
Kristine Lytton  
Gerry Pollet  
Chris Reykdal  
Larry Springer  
Brandon Vick  
J.T. Wilcox

### **Government Accountability & Oversight**

Christopher Hurst, Chair  
Sharon Wylie, V. Chair  
Cary Condotta\*  
Jeff Holy\*\*  
Brian Blake  
Steve Kirby  
Luis Moscoso  
Matt Shea  
Norma Smith

### **House Government Operations & Elections**

Sam Hunt, Chair  
Steve Bergquist, V. Chair  
Vincent Buys\*  
David Taylor\*\*  
Gary Alexander  
Reuven Carlyle  
Richard DeBolt  
Joe Fitzgibbon  
Matt Manweller  
Tina Orwall  
Kevin Van De Wege

### **House Health Care & Wellness**

Eileen Cody, Chair  
Laurie Jenkins, V. Chair  
Joe Schmick\*  
Mike Hope\*\*  
Jan Angel  
Judy Clibborn  
Tami Green  
Paul Harris  
Matt Manweller  
Jim Moeller  
Dawn Morrell  
Marcus Riccelli  
Jay Rodne  
Charles Ross  
Shelly Short  
Steve Tharinger  
Kevin Van De Wege

### **House Higher Education**

Larry Seaquist, Chair  
Gerry Pollet, V. Chair  
Larry Haler\*  
Hans Zeiger\*\*  
Susan Fagan  
Drew Hansen  
Mark Hargrove  
Norm Johnson  
Chad Magendanz  
Jamie Pedersen  
Chris Reykdal  
Marcus Riccelli  
David Sawyer  
Elizabeth Scott  
Mike Sells  
Norma Smith  
Gael Tarleton  
Maureen Walsh  
Sharon Wylie

## Standing Committee Assignments

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### **House Judiciary**

Jamie Pedersen, Chair  
Drew Hansen, V. Chair  
Jay Rodne\*  
Steve O'Ban\*\*  
Roger Goodman  
Mike Hope  
Laurie Jinkins  
Steve Kirby  
Brad Klippert  
Terry Nealey  
Tina Orwall  
Mary Helen Roberts  
Matt Shea

### **House Labor & Workforce Development**

Mike Sells, Chair  
Chris Reykdal, V. Chair  
Matt Manweller\*  
Cary Condotta\*\*  
Tami Green  
Jeff Holy  
Jim Moeller  
Timm Ormsby  
Shelly Short

### **House Local Government**

Dean Takko, Chair  
Joe Fitzgibbon, V. Chair  
David Taylor\*  
Linda Kochmar\*\*  
Vincent Buys  
Larry Crouse  
Marko Liias  
Larry Springer  
Dave Upthegrove

### **House Public Safety**

Roger Goodman, Chair  
Mary Helen Roberts, V. Chair  
Brad Klippert\*  
Dave Hayes\*\*  
Sherry Appleton  
Jeff Holy  
Mike Hope  
Luis Moscoso

Eric Pettigrew  
Charles Ross  
Dean Takko

### **House Rules**

Frank Chopp, Chair  
Cathy Dahlquist  
Susan Fagan  
Tami Green  
Jeff Holy  
Norm Johnson  
Linda Kochmar  
Joel Kretz  
Dan Kristiansen  
Marko Liias  
Chad Magendanz  
Marcia Maxwell  
Jim Moeller  
Terry Nealey  
Tina Orwall  
Eric Pettigrew  
Chris Reykdal  
Mary Helen Roberts  
Cindy Ryu  
David Sawyer  
Larry Springer  
Pat Sullivan  
Gael Tarleton  
Kevin Van De Wege  
J.T. Wilcox

### **House Technology & Economic Development**

Jeff Morris, Chair  
Cyrus Habib, V. Chair  
Norma Smith\*  
Larry Crouse\*\*  
Cathy Dahlquist  
Roger Freeman  
Zack Hudgins  
Linda Kochmar  
Chad Magendanz  
Marcie Maxwell  
Dawn Morrell  
Monica Stonier  
Gael Tarleton

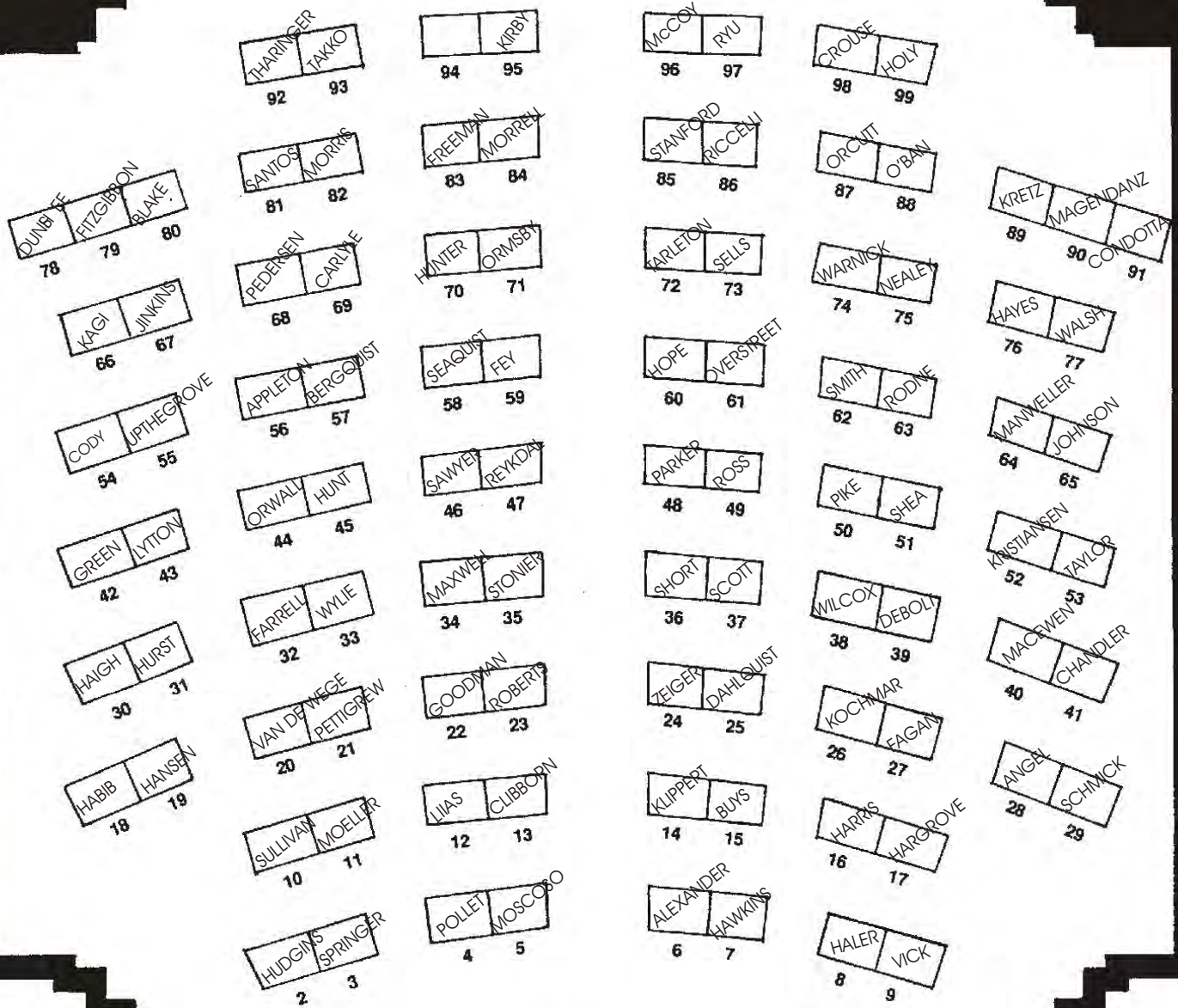
Brandon Vick  
Maureen Walsh  
Sharon Wylie  
Hans Zeiger

### **House Transportation**

Judy Clibborn, Chair  
Jake Fey, V. Chair  
Marko Liias, V. Chair  
Luis Moscoso, V. Chair  
Ed Orcutt\*  
Mark Hargrove\*\*  
Jason Overstreet\*\*  
Jan Angel  
Steve Bergquist  
Richard DeBolt  
Jessyn Farrell  
Joe Fitzgibbon  
Roger Freeman  
Cyrus Habib  
Dave Hayes  
Norm Johnson  
Brad Klippert  
Linda Kochmar  
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Marcus Riccelli  
Jay Rodne  
Cindy Ryu  
Mike Sells  
Matt Shea  
Dean Takko  
Gael Tarleton  
Dave Upthegrove  
Hans Zeiger

\*Ranking Member / \*\*Assistant Ranking Member

# 2013 HOUSE SEATING



DEPUTY CLERK	CHIEF CLERK	READER	JOURNAL/STATUS CLERK
DEAN	BAKER	KOCHANIEWICZ	AUDETE

SPEAKER ATTORNEY MAYNARD	SPEAKER CHOPP
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