

SIXTY SEVENTH LEGISLATURE - REGULAR SESSION

NINETY SIXTH DAY

House Chamber, Olympia, Friday, April 16, 2021

The House was called to order at 12:00 p.m. by the Speaker (Representative Orwall presiding). The Clerk called the roll and a quorum was present.

April 15, 2021

The Speaker (Representative Orwall presiding) led the Chamber in the Pledge of Allegiance. The prayer was offered by Representative Carolyn Eslick, 39th Legislative District.

The Speaker assumed the chair.

SIGNED BY THE SPEAKER

The Speaker signed the following bill:

SUBSTITUTE HOUSE BILL NO. 1323

The Speaker called upon Representative Orwall to preside.

Reading of the Journal of the previous day was dispensed with and it was ordered to stand approved.

There being no objection, the House advanced to the third order of business.

MESSAGES FROM THE SENATE

April 15, 2021

Mme. SPEAKER:

The Senate has passed:

SUBSTITUTE HOUSE BILL NO. 1269,  
SUBSTITUTE HOUSE BILL NO. 1484,  
ENGROSSED SUBSTITUTE HOUSE BILL NO. 1512,  
SUBSTITUTE HOUSE BILL NO. 1532,

and the same are herewith transmitted.

Brad Hendrickson, Secretary

April 15, 2021

Mme. SPEAKER:

The Senate has passed:

ENGROSSED SENATE BILL NO. 5476,

and the same is herewith transmitted.

Brad Hendrickson, Secretary

Mme. SPEAKER:

The Senate concurred in the House amendment(s) to the following bills and passed the bills as amended by the House:

ENGROSSED SUBSTITUTE SENATE BILL NO. 5024,  
ENGROSSED SUBSTITUTE SENATE BILL NO. 5172,  
ENGROSSED SUBSTITUTE SENATE BILL NO. 5226,  
ENGROSSED SUBSTITUTE SENATE BILL NO. 5229,  
ENGROSSED SUBSTITUTE SENATE BILL NO. 5295,  
SENATE BILL NO. 5299,  
ENGROSSED SUBSTITUTE SENATE BILL NO. 5370,  
SUBSTITUTE SENATE BILL NO. 5378,  
SUBSTITUTE SENATE BILL NO. 5381,  
SUBSTITUTE SENATE BILL NO. 5423,  
SENATE BILL NO. 5430,  
ENGROSSED SUBSTITUTE SENATE BILL NO. 5432,

and the same are herewith transmitted.

Brad Hendrickson, Secretary

April 15, 2021

Mme. SPEAKER:

The President has signed:

SUBSTITUTE HOUSE BILL NO. 1016,  
ENGROSSED SUBSTITUTE HOUSE BILL NO. 1113,  
HOUSE BILL NO. 1143,  
SUBSTITUTE HOUSE BILL NO. 1250,  
ENGROSSED HOUSE BILL NO. 1251,  
SUBSTITUTE HOUSE BILL NO. 1259,  
ENGROSSED HOUSE BILL NO. 1271,  
HOUSE BILL NO. 1296,  
SUBSTITUTE HOUSE BILL NO. 1314,  
SECOND SUBSTITUTE HOUSE BILL NO. 1325,  
SUBSTITUTE HOUSE BILL NO. 1363,  
ENGROSSED SUBSTITUTE HOUSE BILL NO. 1370,  
HOUSE BILL NO. 1495,  
ENGROSSED SUBSTITUTE HOUSE BILL NO. 1529,

and the same are herewith transmitted.

Brad Hendrickson, Secretary

April 15, 2021

Mme. SPEAKER:

The President has signed:

SUBSTITUTE HOUSE BILL NO. 1279,

and the same is herewith transmitted.

Brad Hendrickson, Secretary

April 15, 2021

Mme. SPEAKER:

The President has signed:

SECOND SUBSTITUTE SENATE BILL NO. 5000,  
 SENATE BILL NO. 5031,  
 SENATE BILL NO. 5063,  
 SUBSTITUTE SENATE BILL NO. 5080,  
 SENATE BILL NO. 5145,  
 SENATE BILL NO. 5159,  
 SENATE BILL NO. 5225,  
 SUBSTITUTE SENATE BILL NO. 5230,  
 SENATE BILL NO. 5367,  
 SUBSTITUTE SENATE BILL NO. 5403,  
 ENGROSSED SENATE BILL NO. 5454,  
 SUBSTITUTE SENATE BILL NO. 5460,

and the same are herewith transmitted.

Brad Hendrickson, Secretary

April 16, 2021

Mme. SPEAKER:

The President has signed:

ENGROSSED SECOND SUBSTITUTE HOUSE BILL NO.  
 1073,  
 SUBSTITUTE HOUSE BILL NO. 1208,  
 SUBSTITUTE HOUSE BILL NO. 1323,  
 SUBSTITUTE HOUSE BILL NO. 1383,

and the same are herewith transmitted.

Brad Hendrickson, Secretary

There being no objection, the House advanced to the fourth order of business.

#### INTRODUCTION & FIRST READING

HB 1579 by Representative Harris-Talley

AN ACT Relating to exempting a portion of the valuation of residential property from property taxation; amending RCW 84.48.010 and 84.69.020; adding a new section to chapter 84.36 RCW; adding a new section to chapter 84.52 RCW; and providing a contingent effective date.

Referred to Committee on Finance.

HCR 4402 by Representatives MacEwen, Boehnke, Dufault, Klippert, Robertson and Kraft

Exempting certain matters from the cutoff dates established in Senate Concurrent Resolution No. 8401.

Referred to Committee on Rules.

#### SUPPLEMENTAL INTRODUCTION & FIRST READING

ESB 5476 by Senators Dhingra, Hasegawa, Hunt, Kuderer, Lovelett, Nguyen, Pedersen, Rivers, Robinson, Saldaña and Wellman

AN ACT Relating to addressing the State v. Blake decision; amending RCW 69.50.101, 69.50.4011, 69.50.4013, 69.50.412, 69.50.445, 69.41.030, 69.41.030, and 69.41.010; reenacting and amending RCW 69.50.101 and 69.41.010; adding a new section to chapter 10.77 RCW; creating a new section; prescribing penalties; providing an effective date; providing an expiration date; and declaring an emergency.

Referred to Committee on Appropriations.

ESB 5476 by Senators Dhingra, Hasegawa, Hunt, Kuderer, Lovelett, Nguyen, Pedersen, Rivers, Robinson, Saldaña and Wellman

AN ACT Relating to addressing the State v. Blake decision; amending RCW 69.50.101, 69.50.4011, 69.50.4013, 69.50.412, 69.50.445, 69.41.030, 69.41.030, and 69.41.010; reenacting and amending RCW 69.50.101 and 69.41.010; adding a new section to chapter 10.77 RCW; creating a new section; prescribing penalties; providing an effective date; providing an expiration date; and declaring an emergency.

Referred to Committee on Appropriations.

Representative MacEwen moved that HOUSE CONCURRENT RESOLUTION NO. 4402 be placed on the second reading calendar.

Representatives MacEwen and Stokesbary spoke in favor of the motion.

Representative Sullivan spoke against the motion.

#### MOTION

On motion of Representative Riccelli, Representative Bateman was excused.

An electronic roll call was requested.

#### ROLL CALL

The Clerk called the roll on the motion to place HOUSE CONCURRENT RESOLUTION NO. 4402 on the second reading calendar and the motion was not adopted by the following vote: Yeas: 41; Nays: 56; Absent: 0; Excused: 1

Voting yea: Representatives Abbarno, Barkis, Boehnke, Caldier, Chambers, Chandler, Chase, Corry, Dent,

Dufault, Dye, Eslick, Gilday, Goehner, Graham, Griffey, Harris, Hoff, Jacobsen, Klicker, Klippert, Kraft, Kretz, MacEwen, Maycumber, McCaslin, McEntire, Mosbrucker, Orcutt, Robertson, Rude, Schmick, Steele, Stokesbary, Sutherland, Vick, Volz, Walsh, Wilcox, Ybarra, and Young

Voting nay: Representatives Berg, Bergquist, Berry, Bronoske, Callan, Chapman, Chopp, Cody, Davis, Dolan, Duerr, Entenman, Fey, Fitzgibbon, Frame, Goodman, Gregerson, Hackney, Hansen, Harris-Talley, Jinkins, Johnson, J., Kirby, Kloba, Leavitt, Lekanoff, Lovick, Macri, Morgan, Ormsby, Ortiz-Self, Orwall, Paul, Peterson, Pollet, Ramel, Ramos, Riccelli, Rule, Ryu, Santos, Sells, Senn, Shewmake, Simmons, Slatter, Springer, Stonier, Sullivan, Taylor, Thai, Tharinger, Valdez, Walen, Wicks, and Wylie

Excused: Representative Bateman

There being no objection, the bills and resolution listed on the day's introduction sheet and supplemental introduction sheet under the fourth order of business were referred to the committees so designated.

There being no objection, the House advanced to the seventh order of business.

**THIRD READING  
MESSAGE FROM THE SENATE**

April 10, 2021

Madame Speaker:

The Senate has passed SUBSTITUTE HOUSE BILL NO. 1348 with the following amendment:

Strike everything after the enacting clause and insert the following:

"NEW SECTION.     **Sec. 1.**     (1) The legislature finds that:

(a) Having access to same day and next day physical and behavioral health services is imperative to facilitate successful reentry for individuals releasing from jails;

(b) The overwhelming majority of individuals in jails are incarcerated for less than 30 days;

(c) Suspending medicaid for individuals on short-term jail stays causes significant delays in medicaid reinstatement upon release; and

(d) Delays in medicaid reinstatement impede access to physical and behavioral health appointments and prescription medications upon release.

(2) The legislature intends to facilitate successful jail reentry by not suspending medicaid for individuals who are incarcerated for less than 30 days.

**Sec. 2.** RCW 74.09.670 and 2016 c 154 s 2 are each amended to read as follows:

~~((The))~~ (1) Except as provided in subsection (2) of this section, when the authority ((is directed to)) receives information that a person enrolled in medical assistance is confined in a setting in which federal financial participation is disallowed by the state's agreements with the federal government, the authority shall suspend, rather than terminate, medical assistance benefits ((by July 1, 2017,)) for these persons, including those who are incarcerated in a correctional institution as defined in RCW 9.94.049, or committed to a state hospital or other treatment facility. ((This must include the ability for a)) A person who is not currently enrolled in medical assistance must be allowed to apply for medical assistance in suspense status during ((incarceration)) confinement, and the ability to apply may not depend upon knowledge of the release or discharge date of the person. ((The authority must provide a progress report describing program design and a detailed fiscal estimate to the governor and relevant committees of the legislature by December 1, 2016.))

(2)(a) During the first 29 days of a person's incarceration in a correctional institution, as defined in RCW 9.94.049:

(i) A person's incarceration status may not affect the person's enrollment in medical assistance if the person was enrolled in medical assistance at the time of incarceration; and

(ii) A person not enrolled in medical assistance at the time of incarceration must have the ability to apply for medical assistance during incarceration, which may not depend on knowledge of the release date of the person. If the person is enrolled in medical assistance during the first 29 days of the person's incarceration, the person's incarceration status may not affect the person's enrollment in medical assistance.

(b) After the first 29 days of the person's incarceration, the person's medical assistance status is subject to suspension or application in suspense status under subsection (1) of this section.

NEW SECTION.     **Sec. 3.** A new section is added to chapter 70.48 RCW to read as follows:

A department of corrections or chief law enforcement officer responsible for the operation of a jail shall make reasonable efforts to collaborate with managed care organizations, as defined in RCW 71.24.025, for the purposes of care coordination activities and improving health care delivery and release planning for persons confined in the jail.

**NEW SECTION. Sec. 4.** The health care authority is authorized to seek any necessary state plan amendments or waivers from the federal department of health and human services that are necessary to implement section 2 of this act.

**NEW SECTION. Sec. 5.** If any part of this act is found to be in conflict with federal requirements that are a prescribed condition to the allocation of federal funds to the state, the conflicting part of this act is inoperative solely to the extent of the conflict and with respect to the agencies directly affected, and this finding does not affect the operation of the remainder of this act in its application to the agencies concerned. Rules adopted under this act must meet federal requirements that are a necessary condition to the receipt of federal funds by the state."

On page 1, line 2 of the title, after "persons;" strike the remainder of the title and insert "amending RCW 74.09.670; adding a new section to chapter 70.48 RCW; and creating new sections."

and the same is herewith transmitted.

Sarah Bannister, Deputy, Secretary

#### **SENATE AMENDMENT TO HOUSE BILL**

There being no objection, the House concurred in the Senate amendment to SUBSTITUTE HOUSE BILL NO. 1348 and advanced the bill, as amended by the Senate, to final passage.

#### **FINAL PASSAGE OF HOUSE BILL AS SENATE AMENDED**

Representatives Schmick and Davis spoke in favor of the passage of the bill.

The Speaker (Representative Orwall presiding) stated the question before the House to be the final passage of Substitute House Bill No. 1348, as amended by the Senate.

#### **ROLL CALL**

The Clerk called the roll on the final passage of Substitute House Bill No. 1348, as amended by the Senate, and the bill passed the House by the following vote: Yeas, 97; Nays, 0; Absent, 0; Excused, 1.

Voting yea: Representatives Abbarno, Barkis, Berg, Bergquist, Berry, Boehnke, Bronoske, Caldier, Callan, Chambers, Chandler, Chapman, Chase, Chopp, Cody, Corry, Davis, Dent, Dolan, Duerr, Dufault, Dye, Entenman, Eslick, Fey, Fitzgibbon, Frame, Gilday, Goehner, Goodman, Graham, Gregerson, Griffey, Hackney, Hansen, Harris, Harris-Talley, Hoff, Jacobsen, J. Johnson, Kirby, Klicker, Klippert, Kloba, Kraft, Kretz, Leavitt, Lekanoff, Lovick, MacEwen, Macri, Maycumber, McCaslin, McEntire, Morgan, Mosbrucker, Orcutt, Ormsby, Ortiz-Self, Orwall, Paul, Peterson, Pollet, Ramel, Ramos, Riccelli, Robertson, Rude, Rule, Ryu, Santos, Schmick, Sells, Senn, Shewmake, Simmons, Slatter, Springer, Steele, Stokesbary, Stonier, Sullivan, Sutherland, Taylor, Thai, Tharinger, Valdez, Vick, Volz, Walen, Walsh, Wicks, Wilcox, Wylie, Ybarra, Young and Mme. Speaker.

Excused: Representative Bateman.

SUBSTITUTE HOUSE BILL NO. 1348, as amended by the Senate, having received the necessary constitutional majority, was declared passed.

#### **MESSAGE FROM THE SENATE**

April 11, 2021

Madame Speaker:

The Senate has passed SUBSTITUTE HOUSE BILL NO. 1416 with the following amendment:

Strike everything after the enacting clause and insert the following:

**"NEW SECTION. Sec. 1.** (1) The legislature finds that it is in the interests of the citizens of the state of Washington to enhance and increase the efficiency of the processes for collecting child support debts owed to the state or owed to a custodial parent.

(2) The legislature further finds that liens filed in the state of Washington are filed on a county-by-county basis, and there is no statewide registry or clearinghouse where a comprehensive collection of liens may be checked by a party or other entity before funds are disbursed to the debtor.

(3) The legislature further finds that it would enhance the collection opportunities for child support to require insurance companies doing business in the state of Washington to participate in a reporting scheme that would allow a data match with child support debts.

NEW SECTION. **Sec. 2.** A new section is added to chapter 26.23 RCW to read as follows:

(1) (a) Except as otherwise provided in subsection (8) of this section, each insurer shall, not later than 10 days after opening a tort liability claim for bodily injury or wrongful death, a workers' compensation claim, or a claim under a policy of life insurance, exchange information with the division of child support in the manner prescribed by the department to verify whether the claimant owes debt for the support of one or more children to the department or to a person receiving services from the division of child support. To the extent feasible, the division of child support shall facilitate a secure electronic process to exchange information with insurers pursuant to this subsection. The obligation of an insurer to exchange information with the division of child support is discharged upon complying with the requirements of this subsection.

(b) The exchange of information pursuant to this act must comply with privacy protections under applicable state and federal laws and regulations, including the federal health insurance portability and accountability act.

(2) In order to determine whether a claimant owes a debt being enforced by the division of child support, all insurance companies doing business in the state of Washington that issue qualifying payments to claimants must provide minimum identifying information about the claimant to:

(a) An insurance claim data collection organization;

(b) The federal office of child support enforcement or the child support lien network; or

(c) The division of child support in a manner satisfactory to the department.

(3) Insurers must take the steps necessary to authorize an insurance claim data collection organization to share minimum identifying information with the federal office of child support enforcement and the child support claim lien network.

(4) Except as otherwise provided in subsections (5) and (7) of this section, if an insurer is notified by the division of child support that a claimant owes debt for the support of one or more

children to the department or to a person receiving services from the division of child support, the insurer shall, upon the receipt of a notice issued by the department identifying the amount of debt owed pursuant to chapter 74.20A RCW:

(a) Withhold from payment on the claim the amount specified in the notice; and

(b) Remit the amount withheld from payment to the department within 20 days.

(5) The department shall give any lien, claim, or demand for reasonable claim-related attorneys' fees, property damage, and medical costs priority over any withholding of payment pursuant to subsection (4) of this section.

(6) Any information obtained pursuant to this act must be used only for the purpose of carrying out the provisions of this act. An insurer or other entity described in subsection (2) of this section may not be held liable in any civil or criminal action for any act made in good faith pursuant to this section including, but not limited to:

(a) Any disclosure of information to the department or the division of child support; or

(b) The withholding of any money from payment on a claim or the remittance of such money to the department.

(7) An insurer may not delay the disbursement of a payment on a claim to comply with the requirements of this section. An insurer is not required to comply with subsection (4) of this section if the notice issued by the department is received by the insurer after the insurer has disbursed the payment on the claim. In the case of a claim that will be paid through periodic payments, the insurer:

(a) Is not required to comply with the provisions of subsection (4) of this section with regard to any payments on the claim disbursed to the claimant before the notice was received by the insurer; and

(b) Must comply with the provisions of subsection (4) of this section with regard to any payments on the claim scheduled to be made after the receipt of the notice.

(8) If periodic payment will be made to a claimant, an insurer is only required to engage in the exchange of information pursuant to subsection (1) of

this section before issuing the initial payment.

(9) An insurance company's failure to comply with the reporting requirements of this act does not amount to noncompliance with a requirement of the division of child support as described in RCW 74.20A.350.

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

(a) "Claimant" means any person who: (i) Brings a tort liability claim for bodily injury or wrongful death; (ii) is receiving workers' compensation benefits; or (iii) is a beneficiary under a life insurance policy. "Claim for bodily injury" does not include a claim for uninsured or underinsured vehicle coverage or medical payments coverage under a motor vehicle liability policy.

(b) "Insurance claim data collection organization" means an organization that maintains a centralized database of information concerning insurance claims to assist insurers that subscribe to the database in processing claims and detecting and preventing fraud, and also cooperates and coordinates with the federal or state child support entities to share relevant information for insurance intercept purposes.

(c) "Insurer" means: (i) A person who holds a certificate of authority to transact insurance in the state; or (ii) a chapter 48.15 RCW unauthorized insurer.

(d) "Qualifying payment" means a payment that is either a one-time lump sum or an installment payment issued by an insurance company doing business in the state of Washington, which is made for the purpose of satisfying, compromising, or settling, a tort or insurance claim where the payment is in excess of \$500 and is intended to go directly to the claimant and not to a third party, such as a health care provider.

(e) "Tort or insurance claim" means: (i) A claim for general damages, which are also called noneconomic damages; or (ii) a claim for lost wages. "Tort or insurance claim" does not include claims for property damage under either liability insurance or uninsured motorist insurance.

NEW SECTION. **Sec. 3.** A new section is added to chapter 26.23 RCW to read as follows:

An insurance company may comply with the obligation to exchange information with the division of child support described in section 2(1) of this act by using an insurance claim data collection organization as described in section 2(2) of this act.

**Sec. 4.** RCW 26.23.070 and 1991 c 367 s 41 are each amended to read as follows:

(1) The employer or the employment security department may combine amounts withheld from the earnings of more than one responsible parent in a single payment to the Washington state support registry, listing separately the amount of the payment which is attributable to each individual.

(2) No employer nor employment security department that complies with a notice of payroll deduction under this chapter shall be civilly liable to the responsible parent for complying with a notice of payroll deduction under this chapter.

(3) No insurance company shall be civilly liable to the responsible parent for complying with:

(a) An order to withhold and deliver issued under RCW 74.20A.080 or with any other withholding order issued under chapter 26.23 RCW;

(b) A lien filed by the department under chapter 74.20A RCW; or

(c) A combined lien and withholding order developed by the department to implement this act.

(4) An insurance company complying with a withholding order issued by the department or with a lien filed by the department may not be considered to be committing a violation of the insurance fair conduct act under chapter 48.30 RCW.

NEW SECTION. **Sec. 5.** The department may enact rules necessary to implement and administer this act.

NEW SECTION. **Sec. 6.** This act takes effect January 1, 2022."

On page 1, line 2 of the title, after "support;" strike the remainder of the title and insert "amending RCW 26.23.070; adding new sections to chapter 26.23 RCW; creating new sections; and providing an effective date."

and the same is herewith transmitted.

Sarah Bannister, Deputy, Secretary

### SENATE AMENDMENT TO HOUSE BILL

There being no objection, the House concurred in the Senate amendment to SUBSTITUTE HOUSE BILL NO. 1416 and advanced the bill, as amended by the Senate, to final passage.

### FINAL PASSAGE OF HOUSE BILL AS SENATE AMENDED

Representative Hansen spoke in favor of the passage of the bill.

Representative Walsh spoke against the passage of the bill.

The Speaker (Representative Orwall presiding) stated the question before the House to be the final passage of Substitute House Bill No. 1416, as amended by the Senate.

### ROLL CALL

The Clerk called the roll on the final passage of Substitute House Bill No. 1416, as amended by the Senate, and the bill passed the House by the following vote: Yeas, 90; Nays, 7; Absent, 0; Excused, 1.

Voting yea: Representatives Barkis, Berg, Bergquist, Berry, Boehnke, Bronoske, Caldier, Callan, Chambers, Chandler, Chapman, Chopp, Cody, Corry, Davis, Dent, Dolan, Duerr, Dye, Entenman, Eslick, Fey, Fitzgibbon, Frame, Gilday, Goehner, Goodman, Graham, Gregerson, Griffey, Hackney, Hansen, Harris, Harris-Talley, Hoff, Jacobsen, J. Johnson, Kirby, Klicker, Klippert, Kloba, Kraft, Kretz, Leavitt, Lekanoff, Lovick, MacEwen, Macri, Maycumber, McEntire, Morgan, Mosbrucker, Ormsby, Ortiz-Self, Orwall, Paul, Peterson, Pollet, Ramel, Ramos, Riccelli, Robertson, Rude, Rule, Ryu, Santos, Schmick, Sells, Senn, Shewmake, Simmons, Slatter, Springer, Steele, Stokesbary, Stonier, Sullivan, Taylor, Thai, Tharinger, Valdez, Vick, Volz, Walen, Wicks, Wilcox, Wylie, Ybarra, Young and Mme. Speaker.

Voting nay: Representatives Abbarno, Chase, Dufault, McCaslin, Orcutt, Sutherland and Walsh.

Excused: Representative Bateman.

SUBSTITUTE HOUSE BILL NO. 1416, as amended by the Senate, having received the necessary constitutional majority, was declared passed.

### MESSAGE FROM THE SENATE

April 3, 2021

Mme. SPEAKER:

The Senate has passed SUBSTITUTE HOUSE BILL NO. 1425, with the following amendment(s):

Strike everything after the enacting clause and insert the following:

"NEW SECTION. Sec. 7. The legislature finds that higher education is pivotal in delivering training to Washington citizens at all stages of their careers and ages. A skilled workforce increases productivity, boosts outputs, and propels growth in Washington's economy. The legislature further finds that a well-trained, highly skilled workforce provides Washington citizens with greater opportunities and skill sets to efficiently and confidently meet the changing demands of a transforming economy. Furthermore, a STEM-based education provides Washington's citizens with real-world applications to develop a variety of skill sets needed in today's global economy.

The legislature further finds that the Washington state opportunity scholarship is an innovative public private partnership that has been successful building a qualified workforce to fill Washington's high-demand STEM, health care, and trade industries. The Washington state opportunity scholarship has successfully created opportunities for communities historically left out of higher education and STEM, including women, students of color, and first-generation college students. In addition, the Washington state opportunity scholarship has been shown to change communities by breaking the cycle of intergenerational poverty.

The legislature also finds that higher education is a key driver of individual growth and prosperity, and is an effective way to bridge societal inequities that disproportionately afflict low-income communities and communities of color. The legislature further finds that these gaps will be further widened in the current global pandemic, which will exacerbate long-term impacts on these communities in intergenerational poverty, job attainment, job stability, and wage growth.

Therefore, it is the intent of the legislature to amend the existing Washington state opportunity scholarship program to eliminate false barriers for students eligible for the scholarship and provide additional educational opportunities for Washington's citizens. This legislative intent is particularly urgent during the global pandemic where additional skills and opportunities will be vital for Washington citizens as the

state moves toward recovery from the current global pandemic.

**Sec. 8.** RCW 28B.145.010 and 2019 c 406 s 63 are each amended to read as follows:

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

(1) "Board" means the opportunity scholarship board.

(2) "Council" means the student achievement council.

(3) "Eligible advanced degree program" means a health professional degree program beyond the baccalaureate level and includes graduate and professional degree programs.

(4) "Eligible county" has the same meaning as "rural county" as defined in RCW 82.14.370 and also includes any county that shares a common border with Canada and has a population of over one hundred twenty-five thousand.

(5) "Eligible education programs" means high employer demand and other programs of study as determined by the board.

(6) "Eligible expenses" means reasonable expenses associated with the costs of acquiring an education such as tuition, books, equipment, fees, room and board, and other expenses as determined by the program administrator in consultation with the council and the state board for community and technical colleges.

(7) "Eligible school district" means a school district of the second class as identified in RCW 28A.300.065(2).

(8) "Eligible student" means a resident student who ~~((received his or her high school diploma or high school equivalency certificate as provided in RCW 28B.50.536 in Washington and who))~~:

(a)(i) ~~((Has))~~ Received his or her high school diploma or high school equivalency certificate as provided in RCW 28B.50.536 in Washington and has been accepted at a four-year institution of higher education into an eligible education program leading to a baccalaureate degree;

(ii) ~~((Will))~~ Received his or her high school diploma or high school equivalency certificate as provided in RCW 28B.50.536 in Washington and will attend a two-year

institution of higher education and intends to transfer to an eligible education program at a four-year institution of higher education;

(iii) ~~((Has))~~ Received his or her high school diploma or equivalent and has been accepted at an institution of higher education into a professional-technical certificate or degree program in an eligible education program; or

~~((Has been accepted at an institution of higher education into a professional-technical certificate program in an eligible education program; or~~

~~(+))~~ Has been accepted at an institution of higher education into an eligible advanced degree program that leads to credentials in health professions;

(b) Declares an intention to obtain a professional-technical certificate, professional-technical degree, baccalaureate degree, or an advanced degree; and

(c) Has a family income at or below one hundred twenty-five percent of the state median family income at the time the student applies for an opportunity scholarship.

(9) "Gift aid" means financial aid received from the federal Pell grant, the Washington college grant program in chapter 28B.92 RCW, the college bound scholarship program in chapter 28B.118 RCW, the opportunity grant program in chapter 28B.50 RCW, or any other state grant, scholarship, or worker retraining program that provides funds for educational purposes with no obligation of repayment. "Gift aid" does not include student loans, work-study programs, the basic food employment and training program administered by the department of social and health services, or other employment assistance programs that provide job readiness opportunities and support beyond the costs of tuition, books, and fees.

(10) "High employer demand program of study" has the same meaning as provided in RCW 28B.50.030.

(11) "Participant" means an eligible student who has received a scholarship under the opportunity scholarship program.

(12) "Private sources," "private funds," "private contributions," or

"private sector contributions" means donations from private organizations, corporations, federally recognized Indian tribes, municipalities, counties, and other sources, but excludes state dollars.

(13) "Professional-technical certificate" means a program as approved by the state board for community and technical colleges under RCW 28B.50.090(7)(c), that is offered by an institution of higher education.

(14) "Professional-technical degree" means a program as approved by the state board for community and technical colleges under RCW 28B.50.090(7)(c), that is offered by an institution of higher education.

(15) "Program administrator" means a private nonprofit corporation registered under Title 24 RCW and qualified as a tax-exempt entity under section 501(c)(3) of the federal internal revenue code.

(16) "Resident student" has the same meaning as provided in RCW 28B.15.012.

(17) "Rural jobs program" means the rural county high employer demand jobs program created in this chapter.

**Sec. 9.** RCW 28B.145.100 and 2018 c 254 s 4 are each amended to read as follows:

(1)(a) The rural county high employer demand jobs program is created to meet the workforce needs of business and industry in rural counties by assisting students in earning certificates, associate degrees, or other industry-recognized credentials necessary for employment in high employer demand fields.

(b) Subject to the requirements of this section, the rural jobs program provides selected students scholarship funds and support services, as determined by the board, to help students meet their eligible expenses when they enroll in a community or technical college program that prepares them for high employer demand fields.

(c) The source of funds for the rural jobs program shall be a combination of private donations, grants, and contributions and state matching funds.

(2) The program administrator has the duties and responsibilities provided

under this section, including but not limited to:

(a) (~~Publicizing~~) Publicize the rural jobs program and conducting outreach to eligible counties;

(b) In consultation with the state board for community and technical colleges, any interested community or technical college located in an eligible county, and the county's workforce development council, identify high employer demand fields within the eligible counties. When identifying high employer demand fields, the board must consider:

(i) County-specific employer demand reports issued by the employment security department or the list of statewide high-demand programs for secondary career and technical education established under RCW 28A.700.020; and

(ii) The ability and capacity of the community and technical college to meet the needs of qualifying students and industry in the eligible county;

(c) Develop and implement an application, selection, and notification process for awarding rural jobs program scholarship funds. In making determinations on scholarship recipients, the board shall use county-specific employer high-demand data;

(d) Determine the annual scholarship fund amounts to be awarded to selected students;

(e) Distribute funds to selected students;

(f) Notify institutions of higher education of the rural jobs program recipients who will attend their institutions of higher education and inform them of the scholarship fund amounts and terms of the awards; and

(g) Establish and manage an account as provided under RCW 28B.145.110 to receive donations, grants, contributions from private sources, and state matching funds, and from which to disburse scholarship funds to selected students.

(3) To be eligible for scholarship funds under the rural jobs program, a student must:

(a) Either:

(i) Be a resident of an eligible county and be enrolled in a community or

technical college established under chapter 28B.50 RCW; or (~~have~~)

(ii) Have attended and graduated from a school in an eligible school district and be enrolled in a community or technical college established under chapter 28B.50 RCW that is located in an eligible county;

(b) Be a resident student as defined in RCW 28B.15.012;

~~(c) ((Be enrolled in a community or technical college established under chapter 28B.50 RCW located in an eligible county;~~

~~(d))~~ Be in a certificate, degree, or other industry-recognized credential or training program that has been identified by the board as a program that prepares students for a high employer demand field;

~~((e))~~ (d) Have a family income that does not exceed seventy percent of the state median family income adjusted for family size; and

~~((f))~~ (e) Demonstrate financial need according to the free application for federal student aid or the Washington application for state financial aid.

(4) To remain eligible for scholarship funds under the rural jobs program, the student must maintain a cumulative grade point average of 2.0.

(5) A scholarship award under the rural jobs program may not result in a reduction of any gift aid. Nothing in this section creates any right or entitlement.

**Sec. 10.** RCW 28B.145.120 and 2018 c 254 s 6 are each amended to read as follows:

(1) The rural jobs program match transfer account is created in the custody of the state treasurer as a nonappropriated account to be used solely and exclusively for the rural jobs program created in RCW 28B.145.100. The purpose of the rural jobs program match transfer account is to provide state matching funds for the rural jobs program.

(2) Revenues to the rural jobs program match transfer account shall consist of appropriations by the legislature into the rural jobs program match transfer account.

(3) No expenditures from the rural jobs program match transfer account may be made except upon receipt of proof, by the executive director of the council from the program administrator, of private contributions to the rural jobs program. Expenditures, in the form of matching funds, may not exceed the total amount of private contributions.

(4) Only the executive director of the council or the executive director's designee may authorize expenditures from the rural jobs program match transfer account. Such authorization must be made as soon as practicable following receipt of proof as required under this section.

(5) (a) The council shall enter into an appropriate agreement with the program administrator to demonstrate exchange of consideration for the matching funds.

(b) Once moneys in the rural jobs program match transfer account are subject to an agreement under this subsection and are deposited in the student support pathways account, the state acts in a fiduciary rather than ownership capacity with regard to those assets. Assets in the student support pathways account are not considered state money, common cash, or revenue to the state.

(6) The state match must not exceed one million dollars in a single fiscal biennium and must be based on donations and pledges received by the rural jobs program as of the date each official state caseload forecast is submitted by the caseload forecast council to the legislative fiscal committees, as provided under RCW 43.88C.020. Nothing in this section expands or modifies the responsibilities of the caseload forecast council. The purpose of this subsection (6) is to ensure the predictable treatment of the program in the budget process by clarifying the calculation process of the state match required by this section and ensuring that the program is budgeted at maintenance level."

On page 1, line 2 of the title, after "students;" strike the remainder of the title and insert "amending RCW 28B.145.010, 28B.145.100, and 28B.145.120; and creating a new section."

and the same is herewith transmitted.

Sarah Bannister, Deputy Secretary

**SENATE AMENDMENT TO HOUSE BILL**

There being no objection, the House refused to concur in the Senate amendment to SUBSTITUTE HOUSE BILL NO. 1425 and asked the Senate to recede therefrom.

**MESSAGE FROM THE SENATE**

April 14, 2021

Madame Speaker:

The Senate refuses to concur in the House amendment to ENGROSSED SECOND SUBSTITUTE SENATE BILL NO. 5128 and asks the House to recede therefrom.

and the same is herewith transmitted.

Sarah Bannister, Deputy Secretary

**HOUSE AMENDMENT  
TO SENATE BILL**

There being no objection, the House receded from its amendment to ENGROSSED SECOND SUBSTITUTE SENATE BILL NO. 5128. The rules were suspended and ENGROSSED SECOND SUBSTITUTE SENATE BILL NO. 5128 was returned to second reading for the purpose of amendment.

There being no objection, the House reverted to the sixth order of business.

**SECOND READING**

**ENGROSSED SECOND SUBSTITUTE SENATE BILL NO. 5128, by Senate Committee on Ways & Means (originally sponsored by Wellman, C. Wilson, Conway, Dhingra, Hunt, Keiser, Lovelett, Nguyen and Saldaña)**

**Concerning student transportation funding during a local, state, or national emergency.**

Representative Santos moved the adoption of striking amendment (724):

Strike everything after the enacting clause and insert the following:

**"NEW SECTION. Sec. 11.** The legislature recognizes that the COVID-19 pandemic has significantly changed the delivery of education across the state, as school districts transition to remote learning environments to protect the health of students and staff. The legislature also recognizes that the role of transportation services has evolved alongside remote learning programs to help students equitably access the

instructional program of basic education. As permitted by emergency proclamation, many school districts have adapted to remote learning by transporting meals, learning materials, and technology supports directly to students' homes or neighborhoods. Other school districts have used transportation resources to bring students to learning centers or other agencies where support services are provided.

This flexibility has allowed school districts to creatively use the resources at their disposal to equitably address the needs of students during an ongoing emergency.

With this act, the legislature intends to preserve this principle of flexibility for qualifying transportation services during a future local, state, or national emergency.

**NEW SECTION. Sec. 12.** A new section is added to chapter 28A.160 RCW to read as follows:

(1) If a school or school district is providing full remote or partial remote instruction under the authority of RCW 28A.150.290 due to a local, state, or national emergency that causes a substantial disruption to full in-person instruction then, in addition to the transportation services allowed under this chapter, the district may use student transportation allocations to provide the following expanded services to students, regardless of whether those students would qualify as eligible students under RCW 28A.160.160:

(a) Delivery of educational services necessary to provide students with the opportunity to equitably access educational services during the period of remote instruction. Delivery of educational services include the transportation of materials, hardware, and other supports that assist students in accessing remote instruction, internet connectivity, or the curriculum;

(b) Delivery of meals to students; and

(c) Providing for the transportation of students to and from learning centers or other public or private agencies where educational and support services are being provided to students during the period of remote instruction. "Providing for" includes the provision of payments to allow students to use public transit

to access the educational and support services.

(2) Nothing in this section is intended to limit a district's ability to use transportation allocations to pay for fixed transportation costs, such as school bus maintenance and basic administrative, regulatory, safety, or operational expenses.

(3) If a district provides expanded services under subsection (1) of this section, the district must track by a separate accounting code the expenditures incurred by the district in providing such services. This data must be included in the report required under RCW 28A.160.170(2).

**Sec. 13.** RCW 28A.160.170 and 2009 c 548 s 306 are each amended to read as follows:

Each district shall submit three times each year to the superintendent of public instruction during October, February, and May of each year a report containing the following:

(1) (a) The number of eligible students transported to and from school as provided for in RCW 28A.160.150, along with identification of stop locations and school locations, and (b) the number of miles driven for pupil transportation services as authorized in RCW 28A.160.150 the previous school year; and

(2) Other operational data and descriptions as required by the superintendent to determine allocation requirements for each district. The superintendent shall require that districts separate the costs of operating the program for the transportation of eligible students to and from school as defined by RCW 28A.160.160(3) (~~from~~), non-to-and-from-school pupil transportation costs, and costs to provide expanded services under section 2(1) of this act in the annual financial statement. The cost, quantity, and type of all fuel purchased by school districts for use in to-and-from-school transportation shall be included in the annual financial statement.

Each district shall submit the information required in this section on a timely basis as a condition of the continuing receipt of school transportation moneys.

NEW SECTION. **Sec. 14.** A new section is added to chapter 28A.710 RCW to read as follows:

Section 2 of this act governs school operation and management under RCW 28A.710.040 and applies to charter schools established under this chapter.

NEW SECTION. **Sec. 15.** A new section is added to chapter 28A.715 RCW to read as follows:

Section 2 of this act governs school operation and management under RCW 28A.715.020 and applies to state-tribal compact schools established under this chapter.

NEW SECTION. **Sec. 16.** This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and takes effect immediately."

Correct the title.

Representatives Santos and Ybarra spoke in favor of the adoption of the striking amendment.

Striking amendment (724) was adopted.

There being no objection, the rules were suspended, the second reading considered the third and the bill, as amended by the House, was placed on final passage.

Representatives Santos and Ybarra spoke in favor of the passage of the bill.

The Speaker (Representative Orwall presiding) stated the question before the House to be the final passage of Engrossed Second Substitute Senate Bill No. 5128, as amended by the House.

#### ROLL CALL

The Clerk called the roll on the final passage of Engrossed Second Substitute Senate Bill No. 5128, as amended by the House, and the bill passed the House by the following vote: Yeas, 96; Nays, 1; Absent, 0; Excused, 1.

Voting yea: Representatives Abbarno, Barkis, Berg, Bergquist, Berry, Boehnke, Bronoske, Caldier, Callan, Chambers, Chandler, Chapman, Chase, Chopp, Cody, Corry, Davis, Dent, Dolan, Duerr, Dufault, Dye, Entenman, Eslick, Fey, Fitzgibbon, Frame, Gilday, Goehner, Goodman, Graham, Gregerson, Griffey, Hackney, Hansen, Harris, Harris-Talley, Hoff, Jacobsen, J. Johnson, Kirby, Klicker, Klippert, Kloba, Kretz, Leavitt, Lekanoff, Lovick, MacEwen, Macri, Maycumber, McCaslin, McEntire, Morgan, Mosbrucker, Orcutt, Ormsby, Ortiz-Self, Orwall, Paul, Peterson, Pollet, Ramel, Ramos, Riccelli, Robertson, Rude, Rule, Ryu, Santos, Schmick, Sells, Senn, Shewmake, Simmons, Slatter, Springer, Steele, Stokesbary, Stonier,

Sullivan, Sutherland, Taylor, Thai, Tharinger, Valdez, Vick, Volz, Walen, Walsh, Wicks, Wilcox, Wylie, Ybarra, Young and Mme. Speaker.

Voting nay: Representative Kraft.  
Excused: Representative Bateman.

ENGROSSED SECOND SUBSTITUTE SENATE BILL NO. 5128, as amended by the House, having received the necessary constitutional majority, was declared passed.

There being no objection, the House advanced to the seventh order of business.

### THIRD READING MESSAGE FROM THE SENATE

April 14, 2021

Madame Speaker:

The Senate refuses to concur in the House amendment to ENGROSSED SUBSTITUTE SENATE BILL NO. 5408 and asks the House to recede therefrom.

and the same is herewith transmitted.

Sarah Bannister, Deputy Secretary

### HOUSE AMENDMENT TO SENATE BILL

There being no objection, the House receded from its amendment to ENGROSSED SUBSTITUTE SENATE BILL NO. 5408. The rules were suspended and ENGROSSED SUBSTITUTE SENATE BILL NO. 5408 was returned to second reading for the purpose of amendment.

There being no objection, the House reverted to the sixth order of business.

### SECOND READING

**ENGROSSED SUBSTITUTE SENATE BILL NO. 5408, by Senate Committee on Law & Justice (originally sponsored by Stanford, Das, Dhingra, Hasegawa, Kuderer, Lovelett, Nguyen, Randall, Robinson, Rolfes, Saldaña and Wellman)**

#### Concerning the homestead exemption.

Representative Hansen moved the adoption of striking amendment (725):

Strike everything after the enacting clause and insert the following:

"NEW SECTION. **Sec. 1.** The legislature finds that the homestead exemption is intended to protect the homeowner's equity in a home against unsecured creditors. The legislature finds that changes to the homestead exemption are

necessary to modernize the law and to address the case of *Wilson v. Rigby*, 909 F.3d 306 (2018) and to adopt the reasoning in *In re Good*, 588 B.R. 573 (Bankr. W.D. Wash. 2018).

**Sec. 2.** RCW 6.13.010 and 1999 c 403 s 1 are each amended to read as follows:

(1) The homestead consists of real or personal property that the owner or a dependent of the owner uses as a residence. In the case of a dwelling house or mobile home, the homestead consists of the dwelling house or the mobile home in which the owner resides or intends to reside, with appurtenant buildings, and the land on which the same are situated and by which the same are surrounded, or improved or unimproved land, regardless of area, owned with the intention of placing a house or mobile home thereon and residing thereon. A mobile home may be exempted under this chapter whether or not it is permanently affixed to the underlying land and whether or not the mobile home is placed upon a lot owned by the mobile home owner or a dependent of the owner. Property included in the homestead must be actually intended or used as the principal home for the owner.

(2) As used in this chapter (~~(7) the term "owner"~~):

(a) "Owner" includes but is not limited to a purchaser under a deed of trust, mortgage, or real estate contract.

~~((3) As used in this chapter, the term "net")~~ (b) "Net value" means market value less all liens and encumbrances senior to the judgment being executed upon and not including the judgment being executed upon.

(c) "Forced sale" includes any sale of homestead property in a bankruptcy proceeding under Title 11 of the United States Code. The reinvestment provisions of RCW 6.13.070 do not apply to the proceeds.

(d) "Dependent" has the meaning given in Title 11 U.S.C. Sec. 522(a)(1).

**Sec. 3.** RCW 6.13.030 and 2007 c 429 s 1 are each amended to read as follows:

~~(A homestead may consist of lands, as described in RCW 6.13.010, regardless of area, but the homestead exemption amount shall not exceed the lesser of (1) the total net value of the lands, manufactured homes, mobile home, improvements, and other personal~~

~~property, as described in RCW 6.13.010, or (2) the sum of one hundred twenty-five thousand dollars in the case of lands, manufactured homes, mobile home, and improvements, or the sum of fifteen thousand dollars in the case of other personal property described in RCW 6.13.010, except where)) (1) The homestead exemption amount is the greater of:~~

~~(a) \$125,000;~~

~~(b) The county median sale price of a single-family home in the preceding calendar year; or~~

~~(c) Where the homestead is subject to execution, attachment, or seizure by or under any legal process whatever to satisfy a judgment in favor of any state for failure to pay that state's income tax on benefits received while a resident of the state of Washington from a pension or other retirement plan, ((in which event there shall be)) no dollar limit ((on the value of the exemption)).~~

~~(2) In determining the county median sale price of a single-family home in the preceding year, a court shall use data from the Washington center for real estate research or, if the Washington center no longer provides the data, a successor entity designated by the office of financial management.~~

**Sec. 4.** RCW 6.13.060 and 2008 c 6 s 634 are each amended to read as follows:

The homestead of a spouse or domestic partner cannot be conveyed or encumbered unless the instrument by which it is conveyed or encumbered is executed and acknowledged by both spouses or both domestic partners, except that either spouse or both or either domestic partner or both jointly may make and execute powers of attorney for the conveyance or encumbrance of the homestead. The conveyance or encumbrance of the homestead does not require that any dependent of the owner who is not a spouse or domestic partner execute and acknowledge the instrument by which it is conveyed or encumbered.

**Sec. 5.** RCW 6.13.070 and 1987 c 442 s 207 are each amended to read as follows:

(1) Except as provided in RCW 6.13.080, the homestead is exempt from attachment and from execution or forced sale for the debts of the owner up to the amount specified in RCW 6.13.030.

(2) In a bankruptcy case, the debtor's exemption shall be determined on the date the bankruptcy petition is filed. If the value of the debtor's interest in homestead property on the petition date is less than or equal to the amount that can be exempted under RCW 6.13.030, then the debtor's entire interest in the property, including the debtor's right to possession and interests of no monetary value, is exempt. Any appreciation in the value of the debtor's exempt interest in the property during the bankruptcy case is also exempt, even if in excess of the amounts in RCW 6.13.030(1).

(3) The proceeds of the voluntary sale of the homestead in good faith for the purpose of acquiring a new homestead, and proceeds from insurance covering destruction of homestead property held for use in restoring or replacing the homestead property, up to the amount specified in RCW 6.13.030, shall likewise be exempt for one year from receipt, and also such new homestead acquired with such proceeds.

~~((+2))~~ (4) Every homestead created under this chapter is presumed to be valid to the extent of all the property claimed exempt, until the validity thereof is contested in a court of general jurisdiction in the county or district in which the homestead is situated.

**Sec. 6.** RCW 6.13.080 and 2019 c 238 s 215 are each amended to read as follows:

The homestead exemption is not available against an execution or forced sale in satisfaction of judgments obtained:

(1) On debts secured by mechanic's, laborer's, construction, maritime, automobile repair, material supplier's, or vendor's liens arising out of and against the particular property claimed as a homestead;

(2) On debts secured:

(a) ~~((by))~~ By security agreements describing as collateral the property that is claimed as a homestead; or

(b) ~~((by))~~ By mortgages or deeds of trust on the premises that have been executed and acknowledged by both spouses or both domestic partners or by any claimant not married or in a state registered domestic partnership. The execution and acknowledgment of a mortgage or deed of trust by a dependent

who is not a spouse or domestic partner is not required;

(3) On one spouse's or one domestic partner's or the community's debts existing at the time of that spouse's or that domestic partner's bankruptcy filing where (a) bankruptcy is filed by both spouses or both domestic partners within a six-month period, other than in a joint case or a case in which their assets are jointly administered, and (b) the other spouse or other domestic partner exempts property from property of the estate under the bankruptcy exemption provisions of 11 U.S.C. Sec. 522(d);

(4) On debts arising from a lawful court order or decree or administrative order establishing a child support obligation or obligation to pay maintenance;

(5) On debts owing to the state of Washington for recovery of medical assistance correctly paid on behalf of an individual consistent with 42 U.S.C. Sec. 1396p;

(6) On debts secured by a condominium, homeowners', or common interest community association's lien; or

(7) On debts owed for taxes collected under chapters 82.08, 82.12, and 82.14 RCW but not remitted to the department of revenue.

**Sec. 7.** RCW 61.24.100 and 1998 c 295 s 12 are each amended to read as follows:

(1) Except to the extent permitted in this section for deeds of trust securing commercial loans, a deficiency judgment shall not be obtained on the obligations secured by a deed of trust against any borrower, grantor, or guarantor after a trustee's sale under that deed of trust.

(2)(a) Nothing in this chapter precludes an action against any person liable on the obligations secured by a deed of trust or any guarantor prior to a notice of trustee's sale being given pursuant to this chapter or after the discontinuance of the trustee's sale.

(b) No action under (a) of this subsection precludes the beneficiary from commencing a judicial foreclosure or trustee's sale under the deed of trust after the completion or dismissal of that action.

(3) This chapter does not preclude any one or more of the following after a trustee's sale under a deed of trust

securing a commercial loan executed after June 11, 1998:

(a)(i) To the extent the fair value of the property sold at the trustee's sale to the beneficiary or an affiliate of the beneficiary is less than the unpaid obligation secured by the deed of trust immediately prior to the trustee's sale, an action for a deficiency judgment against the borrower or grantor, if such person or persons was timely given the notices under RCW 61.24.040, for (A) any decrease in the fair value of the property caused by waste to the property committed by the borrower or grantor, respectively, after the deed of trust is granted, and (B) the wrongful retention of any rents, insurance proceeds, or condemnation awards by the borrower or grantor, respectively, that are otherwise owed to the beneficiary.

(ii) This subsection (3)(a) does not apply to any property that is occupied by the borrower as its principal residence as of the date of the trustee's sale;

(b) Any judicial or nonjudicial foreclosures of any other deeds of trust, mortgages, security agreements, or other security interests or liens covering any real or personal property granted to secure the obligation that was secured by the deed of trust foreclosed; or

(c) Subject to this section, an action for a deficiency judgment against a guarantor if the guarantor is timely given the notices under RCW 61.24.042.

(4) Any action referred to in subsection (3)(a) and (c) of this section shall be commenced within one year after the date of the trustee's sale, or a later date to which the liable party otherwise agrees in writing with the beneficiary after the notice of foreclosure is given, plus any period during which the action is prohibited by a bankruptcy, insolvency, moratorium, or other similar debtor protection statute. If there occurs more than one trustee's sale under a deed of trust securing a commercial loan or if trustee's sales are made pursuant to two or more deeds of trust securing the same commercial loan, the one-year limitation in this section begins on the date of the last of those trustee's sales.

(5) In any action against a guarantor following a trustee's sale under a deed of trust securing a commercial loan, the guarantor may request the court or other appropriate adjudicator to determine, or

the court or other appropriate adjudicator may in its discretion determine, the fair value of the property sold at the sale and the deficiency judgment against the guarantor shall be for an amount equal to the sum of the total amount owed to the beneficiary by the guarantor as of the date of the trustee's sale, less the fair value of the property sold at the trustee's sale or the sale price paid at the trustee's sale, whichever is greater, plus interest on the amount of the deficiency from the date of the trustee's sale at the rate provided in the guaranty, the deed of trust, or in any other contracts evidencing the debt secured by the deed of trust, as applicable, and any costs, expenses, and fees that are provided for in any contract evidencing the guarantor's liability for such a judgment. If any other security is sold to satisfy the same debt prior to the entry of a deficiency judgment against the guarantor, the fair value of that security, as calculated in the manner applicable to the property sold at the trustee's sale, shall be added to the fair value of the property sold at the trustee's sale as of the date that additional security is foreclosed. This section is in lieu of any right any guarantor would otherwise have to establish an upset price pursuant to RCW 61.12.060 prior to a trustee's sale.

(6) A guarantor granting a deed of trust to secure its guaranty of a commercial loan shall be subject to a deficiency judgment following a trustee's sale under that deed of trust only to the extent stated in subsection (3)(a)(i) of this section. If the deed of trust encumbers the guarantor's principal residence, the guarantor shall be entitled to receive an amount up to ~~((the homestead exemption set forth in RCW 6.13.030))~~ \$125,000, without regard to the effect of RCW 6.13.080(2), from the bid at the foreclosure or trustee's sale accepted by the sheriff or trustee prior to the application of the bid to the guarantor's obligation.

(7) A beneficiary's acceptance of a deed in lieu of a trustee's sale under a deed of trust securing a commercial loan exonerates the guarantor from any liability for the debt secured thereby except to the extent the guarantor otherwise agrees as part of the deed in lieu transaction.

(8) This chapter does not preclude a beneficiary from foreclosing a deed of trust in the same manner as a real property mortgage and this section does not apply to such a foreclosure.

(9) Any contract, note, deed of trust, or guaranty may, by its express language, prohibit the recovery of any portion or all of a deficiency after the property encumbered by the deed of trust securing a commercial loan is sold at a trustee's sale.

(10) A trustee's sale under a deed of trust securing a commercial loan does not preclude an action to collect or enforce any obligation of a borrower or guarantor if that obligation, or the substantial equivalent of that obligation, was not secured by the deed of trust.

(11) Unless the guarantor otherwise agrees, a trustee's sale shall not impair any right or agreement of a guarantor to be reimbursed by a borrower or grantor for a deficiency judgment against the guarantor.

(12) Notwithstanding anything in this section to the contrary, the rights and obligations of any borrower, grantor, and guarantor following a trustee's sale under a deed of trust securing a commercial loan or any guaranty of such a loan executed prior to June 11, 1998, shall be determined in accordance with the laws existing prior to June 11, 1998.

NEW SECTION. **Sec. 8.** This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and takes effect immediately."

Correct the title.

Representatives Hansen and Walsh spoke in favor of the adoption of the striking amendment.

Striking amendment (725) was adopted.

There being no objection, the rules were suspended, the second reading considered the third and the bill, as amended by the House, was placed on final passage.

Representatives Hansen and Walsh spoke in favor of the passage of the bill.

The Speaker (Representative Orwall presiding) stated the question before the House to be the final passage of Engrossed Substitute Senate Bill No. 5408, as amended by the House.

**ROLL CALL**

The Clerk called the roll on the final passage of Engrossed Substitute Senate Bill No. 5408, as amended by the House, and the bill passed the House by the following vote: Yeas, 94; Nays, 3; Absent, 0; Excused, 1.

Voting yea: Representatives Abbarno, Barkis, Berg, Bergquist, Berry, Boehnke, Bronoske, Caldier, Callan, Chambers, Chandler, Chapman, Chopp, Cody, Corry, Davis, Dent, Dolan, Duerr, Dye, Entenman, Eslick, Fey, Fitzgibbon, Frame, Gilday, Goehner, Goodman, Graham, Gregerson, Griffey, Hackney, Hansen, Harris, Harris-Talley, Hoff, Jacobsen, J. Johnson, Kirby, Klicker, Klippert, Kloba, Kraft, Kretz, Leavitt, Lekanoff, Lovick, MacEwen, Macri, Maycumber, McEntire, Morgan, Mosbrucker, Orcutt, Ormsby, Ortiz-Self, Orwall, Paul, Peterson, Pollet, Ramel, Ramos, Riccelli, Robertson, Rude, Rule, Ryu, Santos, Schmick, Sells, Senn, Shewmake, Simmons, Slatter, Springer, Steele, Stokesbary, Stonier, Sullivan, Sutherland, Taylor, Thai, Tharinger, Valdez, Vick, Volz, Walen, Walsh, Wicks, Wilcox, Wylie, Ybarra, Young and Mme. Speaker.

Voting nay: Representatives Chase, Dufault and McCaslin.

Excused: Representative Bateman.

ENGROSSED SUBSTITUTE SENATE BILL NO. 5408, as amended by the House, having received the necessary constitutional majority, was declared passed.

There being no objection, the House adjourned until 8:00 a.m., April 19, 2021, the 99th Legislative Day of the Regular Session.

LAURIE JINKINS, Speaker

BERNARD DEAN, Chief Clerk

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